UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of: **August 2021**

Commission File Number: **001-39152**

FSD PHARMA INC.

(Translation of registrant's name into English)

First Canadian Place
100 King Street West, Suite 3400
Toronto, ON M5X 1A4, Canada
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

INCORPORATION BY REFERENCE

The Registrant's Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2021 and 2020, included as Exhibit 99.1 of this Form 6-K (Commission File No. 001-39152), and the Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2021 and 2020, included as Exhibit 99.2 of this Form 6-K, furnished to the Commission on the date hereof, are incorporated by reference into the Registrant's Registration Statements on Form F-10 (Commission File Nos. 333-236780 and 333-254995).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FSD Pharma Inc
(Registrant)

Date: August 12, 2021

By: /s/ Nathan Coyle
Nathan Coyle, Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2021 and 2020
99.2	Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2021 and 2020
99.3	FORM 52-109F2 - Certification of Interim Filings - Full Certificate - CEO
99.4	FORM 52-109F2 - Certification of Interim Filings - Full Certificate - CFO

FSD PHARMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "FSD", "we", "us" or "our" refer to FSD Pharma Inc., together with our subsidiaries, on a consolidated basis as constituted on June 30, 2021.

This MD&A for the three and six months ended June 30, 2021 and 2020 should be read in conjunction with the Company's unaudited consolidated interim financial statements, the accompanying notes for the three and six months ended June 30, 2021 and 2020 and the audited consolidated financial statements and the accompanying notes for fiscal years ended December 31, 2020, and 2019. The financial information presented in this MD&A is derived from the Company's unaudited consolidated interim financial statements for the three and six months ended June 30, 2021 and 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in United States dollar except where otherwise indicated.

This MD&A is dated as of August 12, 2021.

FORWARD-LOOKING INFORMATION

The information provided in this MD&A, including information incorporated by reference, may contain certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of the Company's experience and perception of historical trends. Although we believe that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "anticipate", "believe", "expect", "plan", "forecast", "future", "target", "project", "capacity", "could", "should", "focus", "proposed", "scheduled", "outlook", "potential", "may" or similar expressions and includes suggestions of future outcomes; the Company's proposed partnership and joint ventures with, and investments in, other entities; the estimated costs of the Company's proposed capital projects and future investments; potential proceeds from the exercise of the Company's outstanding share purchase warrants; actions taken by the Company, or that the Company may take in the future, to adjust its capital structure; the undertaking of clinical research to study the effects of the Company's products on client health; the outcome of clinical trials related to ultra micro-palmitoylethanolamide ("ultramicronized-PEA" or "FSD-201"). Readers are cautioned not to place undue reliance on forward-looking information as the Company's actual results may differ materially from those expressed or implied.

The Company has made certain assumptions with respect to the forward-looking statements regarding, among other things: the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; general economic, financial market, regulatory and political conditions in which the Company operates; purchaser interest in the Company's products; anticipated and unanticipated costs; government regulation of the Company's activities and products; the timely receipt of any required regulatory approvals; the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company's ability to conduct operations in a safe, efficient and effective manner; and the Company's expansion plans and timeframe for completion of such plans.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the limited operating history of the Company and history of losses; the Company's ability to continue as a going concern; the highly speculative nature of drug development; the Company's ability to generate sufficient revenue to be profitable; the Company's ability to raise the capital necessary for it to execute its strategy; impact of any future recall of the Company's products; the impact of any negative scientific studies on the effects of micro-PEA; the Company's inability to complete clinical trials and attain the regulatory approvals it needs to commercialize its pharmaceutical products; the Company's product candidates being in the preclinical development stage; the Company's ability to obtain regulatory approval in jurisdictions for any product candidates; delays in clinical trials; failure of clinical trials to demonstrate substantial evidence of the safety and/or effectiveness of product candidates; results of earlier studies or clinical trials not being predictive of future clinical trials; difficulties enrolling patients in clinical trials; potential side effects, adverse events or other properties or safety risks of pharmaceutical product candidates; regulatory regimes of locations for clinical trials outside of the United States; failure to obtain approval to commercialize product candidates outside of the United States; published clinical trial data may change in future trials; manufacturing problems resulting in delays in development or commercialization programs; inability to successfully validate, develop and obtain regulatory approval for companion diagnostic tests for drug candidates; changes in funding for the U.S. Food and Drug Administration ("FDA") and other government agencies; risks associated with development and commercialization of pharmaceutical products, including the inability to accurately predict timing or amounts of expenses, requirements of regulatory authorities, and completion of clinical studies; risks inherent in an agricultural business; rising energy costs; the Company's reliance on key persons; the Company's compliance with environmental, health and safety laws and regulations; insurance risks; interruptions in the supply chain for key inputs; demand for skilled labour, specialized knowledge, equipment, parts and components; the Company's ability to manage its growth; the Company's ability to successfully implement and maintain adequate internal controls over financial reporting or disclosure controls and procedures; the Company not having been required to certify that it maintains effective internal control over financial reporting or effective disclosure controls and procedures; increased costs as a result of operating as a public company in the United States; risks relating to our status as a foreign private issuer; the Company taking advantage of reduced disclosure requirements applicable to emerging growth companies; the Company's ability to successfully identify and execute future acquisitions or dispositions; expansion of international operations; reliance on the operations of the Company's partners; results of litigation; conflicts of interest between the Company and its directors and officers; payment of dividends; the partial dependence of the Company's operations on the maintenance and protection of its information technology systems; unforeseen tax and accounting requirements; tax risks related to the Company's status as a "passive foreign investment company"; changes in government; changes in government policy; failure of counterparties to perform contractual obligations; the Company's ability to successfully develop new products or find a market for their sale; the Company's ability to promote and sustain its brands; product liability claims or regulatory actions; reputational risks to third parties with whom the Company does business; the Company's ability to produce and sell its medical products outside of Canada; co-investment risks; failure to comply with laws and regulations; the Company's reliance on its own market research and forecasts; competition from synthetic production and new technologies; the Company's ability to transport its products; liability arising from any fraudulent or illegal activity; product liability lawsuits; misconduct or other improper activities by employees, independent contractors, consults, commercial partners and vendors; failure to achieve market acceptance in the medical community; inability to establish sales and marketing capabilities; failure to comply with health and data protection laws; reliance on third parties to conduct clinical trials; loss of single-source suppliers; reliance on contract manufacturing facilities; inability to obtain or maintain sufficient intellectual property protection for the Company's products; third-party claims of intellectual property infringement; patent terms being insufficient to protect competitive position on product candidates; inability to obtain patent term extensions or non-patent exclusivity; inability to protect the confidentiality of trade secrets; inability to protect trademarks and trade names; filing of claims challenging the inventorship of the Company's patents and other intellectual property; invalidity or unenforceability of patents; claims regarding wrongfully use or disclosed confidential information of third parties; inability to protect intellectual property rights around the world; the Company's dual class share structure; that additional issuances of the Company's shares could have a significant dilutive effect; public health crises; and other factors beyond the Company's control.

The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. You should carefully consider the matters discussed under "Risks Factors" in our Annual Information Form for the year ended December 31, 2020, Short Form Base Shelf Prospectus dated June 16, 2020 and Prospectus Supplement dated February 11, 2021.

The forward-looking statements contained or incorporated by reference in this MD&A are made as of the date of this MD&A or as otherwise specified. Except as required by applicable securities laws, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

Additional information relating to FSD can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

OVERVIEW

The Company was formed under and is governed by the provisions of the Business Corporations Act (Ontario) (the "OBCA") on November 1, 1998 pursuant to the amalgamation of Olympic ROM World Inc., 1305206 Ontario Company, 1305207 Ontario Inc., Century Financial Capital Group Inc. and Dunberry Graphic Associates Ltd. On May 24, 2018, pursuant to Articles of Amendment, the Company changed its name to "FSD Pharma Inc". The Company's registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, M5L 1A9.

FSD Pharma Inc. ("FSD" or the "Company"), through its wholly owned subsidiary, FSD Biosciences, Inc. is a pharmaceutical research and development ("R&D") company focused on developing over time multiple applications of its lead compound, ultra-micro PEA by down-regulating the cytokines to effectuate an anti-inflammatory response.

The Company filed an Investigational New Drug Application ("IND") with the FDA on August 28, 2020 and was approved on September 25, 2020 to initiate a phase 2 clinical trial for the use of FSD201 to treat COVID-19, the disease caused by the SARS-CoV-2 virus. The trial is targeting a total of 352 random patients in a controlled, double-blind multicenter study.

The Company has retained an independent biotechnology and pharma focused firm to evaluate more broadly its principal drug compound, PEA, in order to evaluate its current potential commercial viability.

As of the date hereof, the Company currently has two material subsidiaries: (i) FSD Biosciences Inc. ("FSD Biosciences"), which is wholly owned by the Company and incorporated under the laws of the State of Delaware; and (ii) FV Pharma Inc. ("FV Pharma"), which is wholly owned by the Company and incorporated under the OBCA.

In July 2020, the Company decided to primarily focus its efforts and resources on the pharmaceutical business operated through FSD Biosciences Inc. As of September 30, 2020, the Company, ended all activities of FV Pharma. As a result, the Company is no longer engaged in cannabis-related activities and is in the process of liquidating all of FV Pharma's assets, including the sale of its Facility and/or the adjacent real estate.

Requisitioning Shareholders

On May 16, 2021, the Company announced the results of its annual general and special meeting of the shareholders held on May 14, 2021. The nominees proposed by a group of shareholders led by Anthony Durkacz and Zeeshan Saeed were elected to serve as the Company's directors.

FSD Pharma Inc.

Through the acquisition of Prismic Pharmaceuticals Inc. ("Prismic"), the Company acquired an exclusive, worldwide license (excluding Italy and Spain) to exploit for certain specified pharmaceutical purposes patents and other intellectual property rights to ultra micro-palmitoylethanolamide ("PEA") owned by Epitech Group SpA ("Epitech"). PEA is a naturally occurring substance that is produced within the body in response to inflammation. FSD Pharma is currently seeking to advance pharmaceutical development programs centered on FSD201 ultra micro-PEA that meet one or more selected criteria. All efforts are intended to be founded on a biological plausibility of an efficacious effect with a high safety profile.

The Company has successfully completed Phase 1 first-in-human safety and tolerability study for FSD201 and has found the compound to be safe with no serious adverse side effects. This study also validated considerable scientific literature already published in the European Union that claims safety and tolerability of micro-PEA. Ultra-micro PEA is currently being dispensed in Italy and Spain as a prescription based medical food supplement since 2004.

The Company received permission from the FDA in June 2020 to submit an IND Application for the use of FSD201 to treat COVID-19, the disease caused by the SARS-CoV-2 virus.

The Company submitted to the FDA an IND Application for the use of FSD201 in August 2020.

Severe COVID-19 is characterized by an over-exuberant inflammatory response that may lead to a cytokine storm and ultimately death. The Company is focused on developing FSD201 for its anti-inflammatory properties to down-regulate the over-expressed immune response and mitigate the cytokine storm associated with acute lung injury in hospitalized COVID-19 patients.

In September 2020, the Company received authorization from the FDA to initiate Phase 2 study for the use of FSD201 to treat COVID-19.

The FSD201 COVID-19 trial is currently on hold as the Company evaluates the commercial viability of the Phase 2 study. As was previously stated in the March 17, 2021 Information Circular, the nominees proposed by a group of shareholders led by Anthony Durkacz and Zeeshan Saeed, would audit the Company's current Phase 2 study to determine its current viability and to better understand the risks and costs associated with the Phase 2 study. The Company has retained an independent biotechnology and pharma focused firm to conduct the evaluation and analyses.

Epitech License Agreement

On January 8, 2020, the Company entered into an amended and restated license agreement with Epitech (the "License Agreement"), which amended and restated the license agreement between Prismic and Epitech through which Prismic secured certain intellectual property rights to PEA from Epitech. The License Agreement grants the Company an exclusive, worldwide license (excluding Italy and Spain where the Company is not licensed and Epitech remains entitled to commercialize the Licensed Products (as defined herein), directly or indirectly) (the "Epitech License") to research, manufacture and commercialize products (the "Licensed Products") that are developed using certain proprietary formulations of PEA owned by Epitech and that are to be used to treat chronic kidney disease in humans or, if a prescription drug, any other human condition that is related to pain and chronic pain. The Epitech License also gives FSD the right to use the Licensed IP (as defined in the Epitech License) in the development of a prescription drug for the treatment of the cytokine storm associated with COVID-19. In addition, under the terms of the Epitech License, if Epitech develops or commercializes a prescription drug for the treatment of any other human condition unrelated to pain and chronic pain (a "Different Prescription Drug") in its territory, the Company has a first refusal right to use Epitech's patents to develop and commercialize this Different Prescription Drug in its territory (i.e. worldwide excluding Italy and Spain). Should the Company exercise this right, but then fail to demonstrate commercially reasonable efforts to develop the Different Prescription Drug in the two years following, Epitech would be free to exploit and/or license to third parties the use of the patents for the Different Prescription Drug. The FSD-201 COVID-19 Trials are subject to such requirements. Finally, the Epitech License provides the Company with a nonexclusive license to use Epitech's scientific and technical know-how with respect to ultramicronized-PEA in connection with the development or commercialization of the Licensed Products discussed above.

Under the terms of the License Agreement, the Company is required to make payments to Epitech upon the achievement of specified milestones. Upon first notification by the FDA of approval of a New Drug Application, the non-refundable sum of $700,000 is due and payable to Epitech. Within ten business days of the first notification of approval of a Supplemental New Drug Application by the FDA, the Company is required to pay the non-refundable sum of $1,000,000 to Epitech. None of the specified milestones have been met to date.

The License Agreement also specifies certain royalty payments. Pursuant to the License Agreement, the Company must pay Epitech 25% (in the case of non-prescription drug rights) and 5% (in the case of prescription drug rights) of any one-off lump sum payments it receives as consideration for granting a sub-license to a third-party with respect to a Licensed Product. In addition, the Company is required to pay either: (a) 7% of net sales of the Licensed Products in a product regulatory category other than prescription drugs placed on the market by the Company; (b) 25% of the royalties received by the Company from sub-licensees (such royalties, the "Net Receipts") where Licensed Products in a product regulatory category other than prescription drugs are placed on the market by such sub-licensees; or (c) 5% of net sales or Net Receipts of the Licensed Products that are prescription drugs.

Unless otherwise terminated in accordance with its terms, the Epitech License will remain in force until the Company is no longer obligated to pay royalties under the License Agreement, which obligation will expire on a country-by-country basis when the last valid claim of the Licensed Patents covering the Licensed Products in a given country expires. The approval of a therapeutically equivalent, generic version of the Licensed Product(s) in a country will conclusively demonstrate that a valid claim does not cover the Licensed Products in that country. If there are no patents covering the Licensed Products in a country, royalties are payable for the license of the scientific and technical know-how under the Epitech License until expiration of the last-to expire Epitech patent that relates to PEA.

The above description of the License Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is available under the Company's SEDAR and EDGAR profiles.

Innovet License Agreement

On March 9, 2021, the Company entered into the Innovet License Agreement ("License Agreement") with Innovet Italia S.R.L. ("Innovet"). The License Agreement grants the Company an exclusive, worldwide license (excluding Italy, and subject to a first refusal right maintained by Innovet, any other country in Europe) to research, manufacture and commercialize products using certain proprietary formulations of ultra-micro PEA (the "Licensed Products") to treat gastro-intestinal diseases in canines and felines. The License Agreement provides that the Company shall develop the Licensed Products with a view to submitting an Investigational Animal Drug Application with the FDA within thirty-six (36) months of the date of the agreement and shall submit a New Animal Drug Application within sixty (60) months of the effective date of the agreement.

Under the terms of the License Agreement, the Company is required to make payments to Innovet upon the achievement of specified milestones. An initial non-refundable sum of US$500,000 was payable to Innovet on the effective date of the License Agreement and a second non-refundable sum of US$250,000 will be due and payable to Innovet on the first anniversary of the effective date of the License Agreement. Within thirty business days of the first notification of approval of a New Animal Drug Application by the FDA of the first Licensed Product to receive such approval in the United States, the Company is required to pay an additional non-refundable sum of US$750,000 to Innovet. None of the specified milestones have been met to date.

The License Agreement also specifies certain royalty payments. Pursuant to the License Agreement, the Company is required to pay Innovet 14% of any one-off lump sum payments it receives as consideration for granting a sub-license to a third-party with respect to a Licensed Product. In addition, the Company is required to pay 5% of net sales of the Licensed Products.

The above description of the License Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is available under the Company's SEDAR and EDGAR profiles.

Cannabis Licenses

The Company held three licenses from Health Canada: (i) a Cultivation License (defined below); (ii) a Processing License (defined below); and (iii) a Sale for Medical Purposes Licence (collectively, the "Licenses").
On July 30, 2020, the Company announced that it has notified Health Canada of the Company's decision to forfeit the licenses of FV Pharma and suspend all cannabis-related activities of FV Pharma within 30 days. As of September 30, 2020, the Company ended all activities of FV Pharma and had surrendered its Licenses. The Company is in the process of liquidating all of FV Pharma's assets, including the sale of its Facility and/or the adjacent real estate.

The Facility

FV Pharma's facility is located at 520 William Street, Cobourg, Ontario, K9A 3A5 (the "Facility"). The Company also owns the 70-acre property on which the Facility is located (the "Facility Property"). FV Pharma acquired the Facility in November 2017. The Facility has 581,538 square feet of building space. The Company is actively exploring a sale of the Facility and/or the Facility Property. See further discussion below under "Discontinued Operations".

The Company has no contractual arrangements and has no commitments for capital expenditures with respect to the Facility or the Facility Property.

IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

In order to mitigate the impact of COVID-19, the Company implemented a systematic and orderly scale back of FV Pharma's cultivation operations and a furlough policy for its workforce, except for certain personnel working staggered shifts to ensure continuity of operations and licensure effective March 23, 2020. Following the Company's decision to primarily focus its efforts and resources on the pharmaceutical business operated through FSD Biosciences Inc. in September 2020, FV Pharma surrendered its licenses and ceased all other operational activities. The Company's clinical trials for the use of FSD-201, its lead compound, to treat suspected or confirmed cases of COVID-19 are currently on hold as the Company evaluates the commercial viability of the compound. COVID-19 did not have a material impact on the continuing operations or financial results of the Company for the three and six months ended June 30, 2021.

CHANGE IN FUNCTIONAL AND PRESENTATION CURRENCY TO UNITED STATES DOLLAR

The Company changed its functional currency from the Canadian dollar (C$) to the United States dollar (US$) as of October 1, 2020. The change in functional currency was the result of a review of the primary economic environment in which the entity operates and the currency that mainly influences the underlying transactions entered into by the Company.

The Company has elected to change its presentation currency from the C$ to the US$ effective October 1, 2020. The change in presentation currency is a voluntary change which is accounted for retrospectively. The change in presentation currency was made to better reflect the Company's business activities. For comparative reporting purposes, historical financial information has been translated to US$ using the exchange rate as at October 1, 2020, which is the date of the change in the functional and presentation currency.

DISCONTINUED OPERATIONS

As previously noted, in March 2020, the Company decided to focus its efforts and resources on the pharmaceutical business and initiated a process to sell the Facility and Facility Property and exit the medical cannabis industry. The Company is actively marketing the Facility and Facility Property for sale and expects that the sale of the Facility and Facility Property will be completed within the next twelve months.

Assets held for sale consists of the Facility and Facility Property. It is anticipated that no liabilities of the Company will be transferred as part of any proposed transaction. Results of operations related to the Facility are reported as discontinued operations for the three and six months ended June 30, 2021 and 2020.

In accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the assets held for sale were assessed for impairment based on fair value less costs to sell. The fair value was measured using the price at which the Company expects to receive for the disposal of the Facility and Facility Property in its current state less estimates for the costs of disposal. The fair value less costs to sell was higher than the carrying value of the Facility and Facility Property, resulting in recognition of the resulting group at carrying value.

SELECTED FINANCIAL HIGHLIGHTS

The following table presents selected financial information for the three and six months ended June 30, 2021 and 2020:

	For the three months ended June 30,		**For the six months ended June 30,**	
	2021	2020	**2021**	2020
	$	**$**	**$**	**$**
General and administrative	**5,073,691**	1,909,183	**8,122,550**	4,925,055
External research and development fees	**3,612,718**	1,561,518	**5,582,969**	1,864,910
Share-based payments	**3,020,647**	364,080	**6,853,171**	2,668,322
Depreciation and amortization	**982,353**	994,337	**1,933,373**	1,965,668
Impairment of right-of-use asset	**-**	-	**-**	89,860
Total operating expenses	**12,689,409**	4,829,118	**22,492,063**	11,513,815
Net loss from continuing operations	**(12,754,390)**	(3,925,554)	**(22,160,002)**	(12,085,461)
Net loss from discontinued operations	**(452,937)**	(566,930)	**(986,779)**	(1,768,794)
Net loss for the period	**(13,207,327)**	(4,492,484)	**(23,146,781)**	(13,854,255)

OVERALL FINANCIAL PERFORMANCE

Three and six months ended June 30, 2021

For the three and six months ended June 30, 2021, general and administrative expenses were $5,073,691 and $8,122,550, respectively, compared to $1,909,183 and $4,925,055 for the comparative periods in the prior year. This represents an increase of $3,164,508 or 166% for the three months ended June 30, 2021, and an increase of $3,197,495 or 65% for the six months ended June 30, 2021, compared to the equivalent periods in the prior year. The increase is primarily related to one-time professional fees incurred during the period due to litigation and the process leading to the Company's contested annual general and special meeting of the shareholders held on May 14, 2021.

For the three and six months ended June 30, 2021, external research and development fees were $3,612,718 and $5,582,969, respectively, compared to $1,561,518 and $1,864,910 for the comparative periods in the prior year. This represents an increase of $2,051,200 or 131% for the three months ended June 30, 2021, and an increase of $3,718,059 or 199% for the six months ended June 30, 2021, compared to the equivalent periods in the prior year. The increase is related to expenses incurred for the research and development of PEA, for Phase 2 Safety and Tolerability testing and COVID-19 study.

For the three and six months ended June 30, 2021, share-based payments expense was $3,020,647 and $6,853,171, respectively, compared to $364,080 and $2,668,332 for the comparative periods in the prior year. This represents an increase of $2,656,567 or 730% for the three months ended June 30, 2021, and an increase of $4,184,849 or 157% for the six months ended June 30, 2021, compared to the equivalent periods in the prior year. The increase in share-based payments is due to share options granted to management and the Board of Directors in the ordinary course following their election at the Company's annual general and special meeting of the shareholders held on May 14, 2021. In addition, in February 2021, the Company's former Board of Directors issued shares to certain individuals who, at that time, were management or members of the Company's Board of Directors.

For the three and six months ended June 30, 2021, depreciation and amortization was $982,353 and $1,933,373, respectively, compared to $994,337 and $1,965,668 for the comparative periods in the prior year. This represents a decrease of $11,984 or 1% for the three months ended June 30, 2021, and a decrease of $32,295 or 2% for the six months ended June 30, 2021, compared to the equivalent periods in the prior year. Depreciation and amortization is related to the amortization of intellectual property.

For the three and six months ended June 30, 2021, net loss was $13,207,327 and $23,146,781, respectively, compared to $4,492,484 and $13,854,255 for the three and six months ended June 30, 2020. Net loss for the three and six months ended June 30, 2021, is comprised of net loss from continuing operations of $12,754,390 and $22,160,002 and net loss from discontinued operations of $452,937 and $986,779 compared to net loss from continuing operations of $3,925,554 and $12,085,461 and net loss from discontinued operations of $566,930 and $1,768,794 for the three and six months ended June 30, 2020.

	As at June 30, 2021	As at December 31, 2020	Change	
	$	$	$	%
Cash	43,196,613	17,524,822	25,671,791	146%
Total assets	68,350,918	41,967,205	26,383,713	63%
Total liabilities	10,073,855	5,658,622	4,415,233	78%

The Company concluded the six months ended June 30, 2021 with cash of $43,196,613 (December 31, 2020 - $17,524,822).

Cash used in operating activities for the six months ended June 30, 2021 was $12,068,527 compared to $9,216,704 for the six months ended June 30, 2020.

Cash used in investing activities for the six months ended June 30, 2021 was $500,000 compared to cash provided by investing activities of $6,372,375 for the six months ended June 30, 2020. During the six months ended June 30, 2021, the Company made payments for acquired intellectual property under the Innovet License Agreement of $500,000, compared to proceeds of $6,372,375 from the sale of investments during the six months ended June 30, 2020.

Cash provided by financing activities for the six months ended June 30, 2021 was $38,240,318 compared to cash provided by financing activities of $6,948,400 for the six months ended June 30, 2020. During the six months ended June 30, 2021, the Company issued shares for net proceeds of $38,341,407 offset by the repayment of $71,424 of notes payable and the repayment of $29,665 for lease obligations. During the six months ended June 30, 2020, the Company issued shares for net proceeds of $6,909,994, received $59,548 from the exercise of stock options offset by repayment of $21,142 for lease obligations.

RESULTS OF OPERATIONS

The following table outlines our consolidated statements of loss for three and six months ended June 30, 2021 and 2020:

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	Change		2021	2020	Change	
	$	$	$	%	$	$	$	%
Expenses								
General and administrative	**5,073,691**	1,909,183	3,164,508	166%	**8,122,550**	4,925,055	3,197,495	65%
External research and development fees	**3,612,718**	1,561,518	2,051,200	131%	**5,582,969**	1,864,910	3,718,059	199%
Share-based payments	**3,020,647**	364,080	2,656,567	730%	**6,853,171**	2,668,322	4,184,849	157%
Depreciation and amortization	**982,353**	994,337	(11,984)	-1%	**1,933,373**	1,965,668	(32,295)	-2%
Impairment of right-of-use asset	**-**	-	-	100%	**-**	89,860	(89,860)	-100%
Total operating expenses	**12,689,409**	4,829,118	7,860,291	163%	**22,492,063**	11,513,815	10,978,248	95%
Loss from continuing operations	**(12,689,409)**	(4,829,118)	(7,860,291)	163%	**(22,492,063)**	(11,513,815)	(10,978,248)	95%
Other income	**-**	(13,251)	13,251	-100%	**(1,292)**	(26,853)	25,561	-95%
Finance expense	**18,917**	68,474	(49,557)	-72%	**38,242**	141,637	(103,395)	-73%
Gain on settlement of financial liability	**(39,542)**	(40,409)	867	-2%	**(49,792)**	(40,409)	(9,383)	23%
Loss (gain) on change in fair value of warrants and derivative liability	**(294,947)**	-	(294,947)	100%	**261,609**	(634,415)	896,024	-141%
Loss (gain) on changes in fair value of investments	**380,553**	(918,378)	1,298,931	-141%	**(580,828)**	1,131,686	(1,712,514)	-151%
Net loss from continuing operations	**(12,754,390)**	(3,925,554)	(8,828,836)	225%	**(22,160,002)**	(12,085,461)	(10,074,541)	83%
Net loss from discontinued operations	**(452,937)**	(566,930)	113,993	-20%	**(986,779)**	(1,768,794)	782,015	-44%
Net loss	**(13,207,327)**	(4,492,484)	(8,714,843)	194%	**(23,146,781)**	(13,854,255)	(9,292,526)	67%

REVIEW OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

General and administrative

General and administrative expenses for the three and six months ended June 30, 2021 and 2020 are comprised of:

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Professional fees	**2,797,012**	181,454	2,615,558	1441%	**3,848,488**	1,220,251	2,628,237	215%
General office, insurance and administration expenditures	**1,132,494**	776,979	355,515	46%	**1,979,776**	1,771,137	208,639	12%
Consulting fees	**545,586**	394,209	151,377	38%	**1,275,426**	1,033,386	242,040	23%
Salaries, wages and benefits	**973,662**	479,792	493,870	103%	**1,668,398**	964,688	703,710	73%
Investor relations	**36,448**	116,307	(79,859)	-69%	**75,249**	419,588	(344,339)	-82%
Building and facility costs	**188,019**	15,323	172,696	1127%	**578,382**	196,660	381,722	194%
Foreign exchange loss (gain)	**(129,161)**	91,371	(220,532)	-241%	**(284,345)**	33,855	(318,200)	-940%
	5,544,060	2,055,435	3,488,625	170%	**9,141,374**	5,639,565	3,501,809	62%
Allocated to:								
Continuing operations	**5,073,691**	1,909,183	3,164,508	166%	**8,122,550**	4,925,055	3,197,495	65%
Discontinued operations	**470,369**	146,252	324,117	222%	**1,018,824**	714,510	304,314	43%

Professional fees

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Professional fees	**2,797,012**	181,454	2,615,558	1441%	**3,848,488**	1,220,251	2,628,237	215%

Professional fees increased from $181,454 to $2,797,012 or 1441% and increased from $1,220,251 to $3,848,488 or 215% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. For the three and six months ended June 30, 2021, the increase is due to litigation and the Company's contested annual general and special shareholders meeting held on May 14, 2021.

General office, insurance and administration expenditures

General office, insurance and administration expenditures for the three and six months ended June 30, 2021 and 2020 are comprised of the following:

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	Change		**2021**	2020	Change	
	$	$	$	%	**$**	$	$	%
Insurance, shareholders and public company costs	**918,955**	536,209	382,746	71%	**1,575,709**	1,022,896	552,813	54%
Travel, meals and entertainment	**14,280**	22,659	(8,379)	-37%	**100,076**	291,614	(191,538)	-66%
Office and general administrative	**199,259**	218,111	(18,852)	-9%	**303,991**	456,627	(152,636)	-33%
General office, insurance and administration expenditures	**1,132,494**	776,979	355,515	46%	**1,979,776**	1,771,137	208,639	12%

Insurance, shareholders and public company costs

Insurance, shareholders and public company costs increased from $536,208 to $918,955 or 71% and increased from $1,022,896 to $1,575,709 or 54% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. These costs primarily consist of insurance and other related expenditures associated with being a publicly-listed Company on the NASDAQ. The primary reason for the increase for the three and six months ended June 30, 2021, compared to the equivalent periods in the prior year is due an increase in the cost of director and officers insurance.

Travel, meals and entertainment

Travel, meals and entertainment expenses decreased from $22,659 to $14,280 or 37% and decreased from $291,614 to $100,076 or 66% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Travel, meals and entertainment expenses fluctuate from period to period based on the nature of the transactions the Company undertakes.

Office and general administrative

Office and general administrative expenses decreased from $218,111 to $199,259 or 9% and decreased from $456,627 to $303,991 or 33% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Office and general administrative expenses may vary from period to period based on operational activities.

Consulting fees

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Consulting fees	**545,586**	394,209	151,377	38%	**1,275,426**	1,033,386	242,040	23%

Consulting fees increased from $394,209 to $545,586 or 38% and increased $1,033,386 to $1,275,426 or 23% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Consulting fees include fees paid to individuals and professional firms who provide advisory services to the Company and fluctuate from period to period based on the nature of the transactions the Company undertakes.

Salaries, wages and benefits

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Salaries, wages and benefits	**973,662**	479,792	493,870	103%	**1,668,398**	964,688	703,710	73%

Salaries, wages and benefits expenses increased from $479,792 to $973,662 or 103% and increased from $964,688 to $1,668,398 or 73% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. The increase is primarily due to expenses incurred in connection with the termination of employment of employees during the period and employer health tax.

Investor relations

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Investor relations	**36,448**	116,307	(79,859)	-69%	**75,249**	419,588	(344,339)	-82%

Investor relations expenses decreased from $116,307 to $36,448 or 69% and decreased from $419,588 to $75,249 or 82% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. The decrease is primarily related to lower spending on investor relations and marketing during the three and six months ended June 30, 2021.

Building and facility costs

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Building and facility costs	**188,019**	15,323	172,696	1127%	**578,382**	196,660	381,722	194%

Building and facility costs increased from $15,323 to $188,019 or 1127% and increased from $196,660 to a $578,382 or 194% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Such costs include property taxes, security services, repairs and maintenance expenditures and utilities. The increase for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year is primarily due to repair costs incurred for the Heritage building located on the Facility Property and an environmental land study of the Facility Property.

Foreign exchange loss (gain)

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Foreign exchange loss (gain)	**(129,161)**	91,371	(220,532)	-241%	**(284,345)**	33,855	(318,200)	-940%

Foreign exchange loss (gain) increased from a loss of $91,371 and $33,855 to a gain of $129,161 and $284,345 for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. The primary reason for the foreign exchange gain was due to the increase in strength of the Canadian dollar relative to the US dollar and its impact on cash balances denominated in the Canadian dollar.

External research and development fees

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	Change		**2021**	2020	Change	
	$	$	$	%	**$**	$	$	%
External research and development fees	**3,612,718**	1,909,183	1,703,535	89%	**5,582,969**	1,864,910	3,718,059	199%

External research and development fees increased from $1,909,183 to $3,612,718 and increased from $1,864,910 to $5,582,969 for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. The increase is related to expenses incurred for the research and development of PEA, Phase 2 clinical trials, and COVID-19 study.

Share-based payments

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	Change		**2021**	2020	Change	
	$	$	$	%	**$**	$	$	%
Share-based payments	**3,020,647**	**364,080**	2,656,567	730%	**6,853,171**	2,668,322	4,184,849	157%

Share-based payments increased from $364,080 to $3,020,647 and increased from $2,668,322 to $6,853,171 for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. The increase in share-based payments is due to share options granted to management and the Board of Directors in the ordinary course following their election at the Company's annual general and special meeting of shareholders held on May 14, 2021. In addition, in February 2021, the Company's former Board of Directors issued shares to certain individuals who, at that time, were management or members of the Company's Board of Directors.

Depreciation and amortization

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	Change		**2021**	2020	Change	
	$	$	$	%	**$**	$	$	%
Depreciation and amortization	**982,353**	**994,337**	(11,984)	-1%	**1,933,373**	1,965,668	(32,295)	-2%

Depreciation and amortization decreased from $994,337 to $982,353 or 1% and decreased from $1,965,668 to $1,933,373 or 2% for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Depreciation and amortization is related to the intellectual property.

Finance expense

For the three and six months ended June 30, 2021, finance expense was $18,917 and $38,242 compared to $68,474 and $141,637 for the three and six months ended June 30, 2021, respectively, compared to the equivalent periods in the prior year. Finance expense is primarily comprised of interest on notes payable assumed on acquisition of Prismic Pharmaceuticals in June 2019. The Company settled a certain balance of notes payable, resulting in lower finance expense for the three and six months ended June 30, 2021, respectively compared to the equivalent periods in the prior year.

Loss (gain) on change in fair value of warrants and derivative liability

In August of 2020 the Company issued warrants as part of a private placement that did not meet the IFRS definition of equity due to the exercise price being denominated in United States Dollar, which was not the functional currency of the Company at the time resulting in a variability in exercise price. As such, the warrants were recognized as a derivative liability with a fair value of $3,289,069 at the time of issuance. The derivative liability was remeasured at fair value of $1,447,910 on December 31, 2020 and $2,004,466 as at March 31, 2021.

The fair value of the warrants liability as at June 30, 2021 was $1,709,519 resulting in a loss on change in fair value of $294,947 and $261,609 for the three and six months ended June 30, 2021. The fair value was determined using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $1.74, risk free interest rate of 0.87% and annualized volatility of 128%.

During the six months ended June 30, 2020, the Company recognized a gain on change in fair value of derivative liability of $634,415 related to the settlement of Solarvest BioEnergy Inc. derivative liability with the issuance of 225,371 Class B Common Shares on February 4, 2020.

Loss (gain) on changes in fair value of investments

The Company has various investments accounted for at fair value through profit or loss resulting in recognition of loss/gain as the fair value fluctuates.

Entity	Instrument	Balance at December 31, 2020 $	Change in fair value through profit or loss $	Balance at June 30, 2021 $
Clover Cannastrip	Shares	-	-	-
HUGE Shops	Shares	600,433	67,133	667,566
SciCann Therapeutics	Shares	195,679	178	195,857
Solarvest BioEnergy Inc.	Shares	447,678	326,850	774,528
Solarvest BioEnergy Inc.	Warrants	74,813	(74,813)	-
Solarvest BioEnergy Inc.	Convertible debenture	358,142	261,480	619,622
		1,676,745	**580,828**	**2,257,573**

REVIEW OF DISCONTINUED OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

The following table outlines our net loss from discontinued operations for the three and six months ended June 30, 2021 and 2020:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	**2021**	2020
	$	$	$	$
Revenue	**-**	6,294	**-**	8,735
Cost of revenue	**-**	441,405	**-**	834,574
Gross loss before fair value adjustments	**-**	(435,111)	**-**	(825,839)
Fair value adjustments on inventory sold		(515)	**-**	(945)
Unrealized loss (gain) on changes in fair value of biological assets	**-**	-	**-**	166,886
Gross loss	**-**	(434,596)	**-**	(991,780)
Expenses				
General and administrative	**470,369**	146,252	**1,018,824**	714,510
Depreciation and amortization	**-**	-	**-**	90,340
Total operating expenses	**470,369**	146,252	**1,018,824**	804,850
Loss from discontinued operations	**(470,369)**	(580,848)	**(1,018,824)**	(1,796,630)
Other income	**(17,432)**	(13,918)	**(32,045)**	(27,836)
Net loss from discontinued operations	**(452,937)**	(566,930)	**(986,779)**	(1,768,794)

Revenue

Revenue was $nil and $nil from discontinued operations for the three and six months ended June 30, 2021, compared to $6,294 and $8,375 for the equivalent period in the prior year. The decrease is due to the Company discontinuing its cannabis operations.

Cost of revenue

For the three and six months ended June 30, 2021, cost of revenue from discontinued operations was $nil and $nil compared to $441,405 and $834,574 for the three and six months ended June 30, 2020. The decrease for the three and six months ended June 30, 2021, compared to the equivalent period in the prior year is primarily due to FV Pharma forfeiting its licenses and ceasing all operations at the end of July 2020 and discontinuing the sale of cannabis. Cost of revenue includes the cost of inventory sold, production costs expensed and impairment charges. Direct and indirect production costs include labor, processing, testing, packaging, quality assurance, security, inventory, shipping, depreciation of production equipment, production management and other related expenses.

Unrealized loss on changes in fair value of biological assets

Unrealized loss on change in fair value of biological assets for the three and six months ended June 30, 2021 was $nil and $nil compared to the loss from change in fair value of biological assets for the three and six months ended June 30, 2020 of $nil and $166,886. As of June 30, 2021, the Company did not have any biological assets.

General and administrative

	For the three months ended June 30,				For the six months ended June 30,			
	2021	2020	**Change**		**2021**	2020	**Change**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
General office and administration	**103,084**	91,331	11,753	13%	**188,806**	195,970	(7,164)	-4%
Salaries, wages and benefits	**179,266**	39,597	139,669	353%	**251,636**	321,879	(70,243)	-22%
Building and facility costs	**188,019**	15,324	172,695	1127%	**578,382**	196,661	381,721	194%
	470,369	146,252	324,117	222%	**1,018,824**	714,510	304,314	43%

General and administrative expenses from discontinued operations increased from $146,252 to $470,369 and from $714,510 to $1,018,824 for the three and six months ended June 30, 2021, compared to the equivalent period in the prior year. The increase is primarily due to building and facility costs incurred for the Heritage building and an environmental land study of the Cobourg property. Salaries and wages increased for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, due to severance and the impact of a stronger Canadian dollar. Salaries and wages decreased for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, as a result of the discontinuance of operations.

Depreciation and amortization

Depreciation and amortization from discontinued operations for the three and six months ended June 30, 2021 was $nil and $nil compared to $nil and $90,340 for the equivalent periods in the prior year. Depreciation and amortization expense decreased as the Company ceased depreciation of these assets upon recognition as being held for sale in March of 2020.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters commencing July 1, 2019 and ended June 30, 2021. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements for the year ended December 31, 2020 and the unaudited consolidated interim financial statements for the three and six months ended June 30, 2021. This data should be read in conjunction with our audited annual financial statements for the year ended December 31, 2020 and the unaudited financial statements for the period ended June 30, 2021. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	June 30, 2020	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
							[restated]	***[restated]***
Other income (loss)	-	(1,292)	4	(23,166)	13,251	13,602	42,824	(2,370)
Net loss for the period	(13,207,327)	(9,939,454)	(4,378,271)	(13,567,266)	(4,492,484)	(9,361,772)	(12,836,967)	(12,760,518)
Net loss per share - basic	(0.37)	(0.37)	(0.24)	(1.07)	(0.49)	(1.15)	(1.63)	(1.69)
Net loss per share - diluted	(0.37)	(0.37)	(0.24)	(1.07)	(0.49)	(1.15)	(1.63)	(1.69)

Restatement of comparative figures and key metrics

In preparation of the December 31, 2020 consolidated financial statements, certain errors to the previously issued December 31, 2019 consolidated financial statements were identified by management. The errors related to errors in the application of accounting for stock-based compensation, investments, and derivative liability. The restatements did not have any impact on the December 31, 2020 and the December 31, 2019 audited consolidated financial statements.

FINANCIAL POSITION

	As at June 30, 2021	As at December 31, 2020	Change $	Change %
ASSETS				
Current assets				
Cash	**43,196,613**	17,524,822	25,671,791	146%
Other receivables	**472,625**	161,342	311,283	193%
Prepaid expenses and deposits	**1,587,972**	569,401	1,018,571	179%
	45,257,210	18,255,565	27,001,645	148%
Assets held for sale	**8,845,117**	8,610,504	234,613	3%
	54,102,327	26,866,069	27,236,258	101%
Non-current assets				
Investments	**2,257,573**	1,676,745	580,828	35%
Intangible assets, net	**11,991,018**	13,424,391	(1,433,373)	-11%
	14,248,591	15,101,136	(852,545)	-6%
Total assets	**68,350,918**	41,967,205	26,383,713	63%
LIABILITIES				
Current liabilities				
Trade and other payables	**7,953,790**	3,700,103	4,253,687	115%
Lease obligations	**48,371**	46,842	1,529	3%
Warrants liability	**1,709,519**	1,447,910	261,609	18%
Notes payable	**300,549**	384,647	(84,098)	-22%
	10,012,229	5,579,502	4,432,727	79%
Non-current liabilities				
Lease obligations	**61,626**	79,120	(17,494)	-22%
Total liabilities	**10,073,855**	5,658,622	4,415,233	78%
SHAREHOLDERS' EQUITY				
Class A share capital	**151,588**	151,588	-	0%
Class B share capital	**144,974,820**	103,056,538	41,918,282	41%
Warrant	**4,968,958**	4,968,958	-	0%
Contributed surplus	**22,068,887**	18,792,590	3,276,297	17%
Foreign exchange translation reserve	**128,479**	207,797	(79,318)	-38%
Accumulated deficit	**(114,015,669)**	(90,868,888)	(23,146,781)	25%
Total shareholders' equity	**58,277,063**	36,308,583	21,968,480	61%
Total liabilities and shareholders' equity	**68,350,918**	41,967,205	26,383,713	63%

Assets

Current assets

Current assets increased by $27,236,258 or 101%, primarily due to an increase in cash of $25,617,791 as a result of the share issuances during the six months ended June 30, 2021.

Other receivables increased by $311,283 or 193% primarily due to an increase in sales taxes receivable.

Prepaid expenses and deposits increased by $1,018,571 or 179% primarily related to payments made for the Company's insurance policies.

Assets Held for Sale

Assets held for sale consists of the Facility and Facility Property. It is anticipated that no liabilities of the Company will be transferred as part of any proposed transaction. Assets held for sale as at June 30, 2021 and December 31, 2020, consisted of the following:

	2021	2020
	$	$
Property and plant	**8,845,117**	8,610,504

Non-current assets

Investments increased by $580,828 or 35%, primarily due to the change in fair value of investments as a result of increases in the underlying share prices.

Intangible assets decreased by $1,433,373 or 11% primarily due to amortization expense incurred for the six months ended June 30, 2021, offset by additions of $500,000.

Liabilities

Current liabilities

Trade and other payables increased by $4,253,687 or 115%, primarily due to the timing of invoice payments and costs incurred associated with the annual general and special meeting of the shareholders.

Warrants were issued as part of the financing in August 2020. The Company determined that these warrants did not meet the IFRS definition of equity due to the exercise price being denominated in United States dollar which was not the functional currency of the Company at the time resulting in variability in exercise price. Accordingly, these warrants are treated as a derivative financial liability measured at fair value through profit or loss. As at the date of issuance the fair value of the warrants was determined to be $3,289,069 using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $3.01 on date of issuance, risk free interest rate of 0.32% and annualized volatility of 121%. The derivative liability was remeasured at fair value of $1,447,910 on December 31, 2020. The fair value of the warrants liability as at June 30, 2021 was $1,709,519 resulting in a loss on change in fair value of $261,609 for the six months ended June 30, 2021. The fair value was determined using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $1.74, risk free interest rate of 0.87% and annualized volatility of 128%.

The Company recognized notes payable from the acquisition of Prismic on June 29, 2019, made up of convertible notes and short-term notes. The notes and short-term notes are due to former board members of Prismic. The notes carry an annual interest rate of 20% and the short-term notes carry an annual interest rate of 10%. During the six months ended June 30, 2021, the Company settled notes payable in the amount of $84,098, accrued interest of $45,346, and $201,695 of other Prismic related liabilities with cash of $281,235. A gain of $49,904 was recognized on settlement as the value of the consideration was less than the carrying value of the notes payable, accrued interest and other related Prismic liabilities.

Non-current liabilities

Non-current portion of lease liability represents the Company's obligations under an office lease. The lease matures on December 31, 2023.

Shareholders' equity

Shareholder's equity increased by $21,968,480 due to an increase of $41,918,282 related to the issuance of shares and shares issued as share-based compensation, offset by a loss of $79,318 related to the translation of foreign operations and a net loss of $23,146,781 for the six months ended June 30, 2021.

LIQUIDITY, CAPITAL RESOURCES AND FINANCING

The general objectives of our capital management strategy are to preserve our capacity to continue operating, provide benefits to our stakeholders and provide an adequate return on investment to our shareholders by continuing to invest in our future that is commensurate with the level of operating risk we assume. We determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

The financial statements and this MD&A have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company is in the preliminary stages of its planned operations and has not yet determined whether its processes and business plans are economically viable. The continuing operations of the Company are dependent upon the ability of the Company to complete the pharmaceutical research and development program centered on the lead asset, micro-PEA. The discontinued operations of the Company are in the process of being sold to fund the continuing operations.

As at June 30, 2021, the Company had cash of $43,196,649 representing an increase of $25,671,791 from December 31, 2020. This increase is primarily due to $38,240,318 of cash provided by financing activities offset by $12,068,527 of cash used in operating activities and $500,000 of cash used in investing activities.

Cash flows

	For the six months ending June 30,	
	2021	2020
	$	$
Net cash provided by (used in):		
Cash used in continuing operating activities	**(11,156,605)**	(8,643,351)
Cash used in discontinued operating activities	**(911,922)**	(573,353)
Cash used in operating activities	**(12,068,527)**	(9,216,704)
Cash provided by (used in) continuing investing activities	**(500,000)**	6,372,375
Cash provided by (used in) continuing financing activities	**38,240,318**	6,948,400
Net increase in cash during the period	**25,671,791**	4,104,071

Cash Flows Used in Operating Activities

Cash flows used in continuing operating activities for the six months ended June 30, 2021, were $11,156,605 compared to cash flows used in continuing operating activities of $8,643,351 for the six months ended June 30, 2020. Cash flows used in discontinued operating activities for the six months ended June 30, 2021, were $911,922 compared to cash flows used in discontinued operating activities of $573,353 for the six months ended June 30, 2020.

Cash Flows Provided by (Used in) Investing Activities

Cash flows used in investing activities for the six months ended June 30, 2021, were $500,000 compared to cash flows provided by investing activities of $6,372,375 the six months ended June 30, 2020. The change is due to the acquisition of intellectual property during the six months ended June 30, 2021, of $500,000 compared to proceeds of $6,909,994 from the sale of investments during the six months ended June 30, 2020.

Cash Flows Provided by Financing Activities

Cash provided by financing activities for the six months ended June 30, 2021, was $38,240,318 compared to cash provided by financing activities of $6,948,400 for the six months ended June 30, 2020. During the six months ended June 30, 2021, the Company issued shares for net proceeds of $38,341,407 offset by the repayment of $71,424 for notes payable and repayment of $29,665 for lease obligations compared to, issued shares for net proceeds of $6,909,994 and proceeds from exercise of stock options of $59,548, offset by repayment of $21,142 for lease obligations made during the six months ended June 30, 2020.

CONTRACTUAL OBLIGATIONS

We have no significant contractual arrangements other than those noted in our financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements other than those noted in our financial statements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly.

Transactions with key management and directors comprised the following:

a. The Company paid expenses of $nil and $262,834 (2020 - $294,321 and $712,803) to a company owned by the former CEO for the three and six months ended June 30, 2021, included in the consolidated statement of loss and comprehensive loss under various expense line categories.

b. The Company pays independent directors an annual retainer of C$60,000, with the chair of the audit committee receiving an additional C$20,000 and the chair of the compensation committee receiving an additional C$10,000. Director's compensation for the three and six months ended June 30, 2021 was $33,385 and $574,930 (2020 - $59,807 and $122,708), which includes $466,545 recognized as share-based compensation for shares issued.

c. In February 2021, as compensation, the Company issued 1,349,764 shares with a fair value of $3,576,875 to Raza Bokhari, in his capacity as Board Chair and Chief Executive Officer, and to certain other directors. Of the 1,349,764 shares issued, 1,173,709, with a fair value of $3,110,330, were issued to Raza Bokhari and 176,055 shares, with a fair value of $466,545, were issued to other directors. In June 2021, 156,278 of the shares issued to directors in February 2021 were cancelled. The Company is working to cancel certain of the shares issued to Raza Bokhari in February 2021 and is currently pursuing its legal options with respect to this matter.

Related Party	Number of Securities	Total Amount
Dr. Raza Bokhari	1,173,709	3,110,330
Robert Ciaruffoli	46,948	124,412
Jim Datin	46,948	124,412
Steve Buyer	46,948	124,412
Gerry Goldberg	35,211	93,309
	1,349,764	**$ 3,576,875**

d. The Company reimbursed certain directors C$1,334,158 for expenses incurred in relation to requisitioning, calling and holding the shareholders' meeting.

Key management personnel compensation during the six months ended June 30, 2021 and 2020 is comprised of:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
	$	$	$	$
Salaries, benefits, bonuses and consulting fees	229,909	633,223	745,785	1,368,258
Share-based payments and bonuses	2,819,217	292,795	6,674,635	2,329,884
Total	**3,049,126**	**926,018**	**7,420,420**	**3,698,142**

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company does not currently have any material outstanding trade receivables with customers.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payable and notes payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to carrying the planned clinical trials, the Company may need to take additional measures to increase its liquidity and capital resources, including issuing debt or additional equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

- Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from Canadian dollar denominated cash and trade and other payables. A 1% change in the foreign exchange rates would not result in any significant impact to the financial statements.

- Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at June 30, 2021, as there are no material long-term borrowings outstanding.

- Other price risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at June 30, 2021.

Fair values

The carrying values of cash, other receivables, trade and other payables and notes payable approximate fair values due to the short-term nature of these items or they are being carried at fair value or, for notes payable, interest payable is close to the current market rates. The risk of material change in fair value is not considered to be significant. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 - Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Private company investments measured at fair value are classified as Level 3 financial instruments. The valuation method and significant assumptions used to determine the fair value of private company investments have been disclosed in the Investments note. During the year, there were no transfers of amounts between levels.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to Note 2 and Note 3 of the audited consolidated financial statements for the fiscal year ended December 31, 2020, for a full discussion of our critical accounting policies and estimates.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Class A multiple voting shares ("Class A shares") and an unlimited number of Class B subordinate voting shares ("Class B shares"), all without par value. All shares are ranked equally with regards to the Company's residual assets.

The holders of Class A shares are entitled to 276,660 votes per Class A share held. Class A shares are held by certain Directors of the Company.

The Company's outstanding capital was as follows as at the date of this MD&A:

Class A shares	72
Class B shares	35,835,568
Share options	3,314,810
Warrants	6,849,109

SUBSEQUENT EVENTS

On July 26, 2021, the Company issued 100,000 warrants to a related party controlled by a director of the Company. Each warrant can be exercised into a Class B Common Share of the Company, at an exercise price of C$2.50, at any time on or before June 30, 2023.

On July 27, 2021, the Company announced the termination of CEO, Raza Bokhari, for cause. The Company's Board of Directors has appointed Anthony Durkacz as the Company's interim CEO and Zeeshan Saeed was reinstated as the Company's President.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer have designed or caused to be designed under their supervision, disclosure controls and procedures which provide reasonable assurance that material information regarding the Company is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, in a timely manner.

In addition, the Chief Executive Officer and Chief Financial Officer have designed or caused it to be designed under their supervision internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The Chief Executive Officer and Chief Financial Officer have been advised that the control framework the Chief Executive Officer and the Chief Financial Officer used to design the Company's ICFR uses the framework and criteria established in the Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its ICFR during the six months ended June 30, 2021, that have materially affected or are reasonably likely to materially affect the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our internal controls over financial reporting are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

FSD Pharma Inc.

Condensed consolidated interim financial statements

For the three and six months ended June 30, 2021 and 2020
[unaudited] [expressed in United States dollars, except per share amounts]

FSD PHARMA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
[unaudited] [expressed in United States dollar]

As at	Notes	June 30, 2021 $	December 31, 2020 $
ASSETS			
Current assets			
Cash		**43,196,613**	17,524,822
Other receivables		**472,625**	161,342
Prepaid expenses and deposits	4	**1,587,972**	569,401
		45,257,210	18,255,565
Assets held for sale	3	**8,845,117**	8,610,504
		54,102,327	26,866,069
Non-current assets			
Investments	5	**2,257,573**	1,676,745
Intangible assets, net	6	**11,991,018**	13,424,391
		68,350,918	41,967,205
LIABILITIES			
Current liabilities			
Trade and other payables	7	**7,953,790**	3,700,103
Lease obligations	9	**48,371**	46,842
Warrants liability	10	**1,709,519**	1,447,910
Notes payable	8	**300,549**	384,647
		10,012,229	5,579,502
Non-current liabilities			
Lease obligations	9	**61,626**	79,120
		10,073,855	5,658,622
SHAREHOLDER'S EQUITY			
Class A share capital	11	**151,588**	151,588
Class B share capital	11	**144,974,820**	103,056,538
Warrants	11	**4,968,958**	4,968,958
Contributed surplus	12	**22,068,887**	18,792,590
Foreign exchange translation reserve		**128,479**	207,797
Accumulated deficit		**(114,015,669)**	(90,868,888)
		58,277,063	36,308,583
		68,350,918	41,967,205
Commitments and contingencies	15		
Subsequent events	17		

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board:

"Signed"
Director - Donal Carroll

"Signed"
Director - Nitin Kaushal

FSD PHARMA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

[unaudited] [expressed in United States dollar, except number of shares]

	Notes	Three months ended June 30, 2021 $	2020 [Restated - note 2b] $	Six months ended June 30, 2021 $	2020 [Restated - note 2b] $
Expenses					
General and administrative	14	**5,073,691**	1,909,183	**8,122,550**	4,925,055
External research and development fees		**3,612,718**	1,561,518	**5,582,969**	1,864,910
Share-based payments	12	**3,020,647**	364,080	**6,853,171**	2,668,322
Depreciation and amortization	6	**982,353**	994,337	**1,933,373**	1,965,668
Impairment of right-of-use asset		**-**	-	**-**	89,860
Total operating expenses		**12,689,409**	4,829,118	**22,492,063**	11,513,815
Loss from continuing operations		**(12,689,409)**	(4,829,118)	**(22,492,063)**	(11,513,815)
Other income		**-**	(13,251)	**(1,292)**	(26,853)
Finance expense		**18,917**	68,474	**38,242**	141,637
Gain on settlement of financial liability	8	**(39,542)**	(40,409)	**(49,792)**	(40,409)
Loss (gain) on change in fair value of warrants and derivative liability	5 & 10	**(294,947)**	-	**261,609**	(634,415)
Loss (gain) on changes in fair value of investments	5	**380,553**	(918,378)	**(580,828)**	1,131,686
Net loss from continuing operations		**(12,754,390)**	(3,925,554)	**(22,160,002)**	(12,085,461)
Net loss from discontinued operations	3	**(452,937)**	(566,930)	**(986,779)**	(1,768,794)
Net loss		**(13,207,327)**	(4,492,484)	**(23,146,781)**	(13,854,255)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to income (loss):					
Exchange gain (loss) on translation of foreign operations		**(41,948)**	(547,320)	**(79,318)**	670,634
Comprehensive loss		**(13,249,275)**	(5,039,804)	**(23,226,099)**	(13,183,621)
Net loss per share					
Basic and diluted - continuing operations	13	**(0.35)**	(0.43)	**(0.70)**	(1.41)
Basic and diluted - discontinued operations	13	**(0.01)**	(0.06)	**(0.03)**	(0.21)
Weighted average number of shares outstanding - basic and diluted	13	**35,991,918**	9,051,562	**31,470,521**	8,600,660

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

FSD PHARMA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the periods ended June 30, 2021 and 2020
[unaudited] [expressed in United States dollar, except number of shares]

	Class A shares		Class B shares		Warrants		Contributed surplus	Foreign exchange translation reserve	Accumulated deficit	Total
	#	$	#	$	#	$	$	$	$	$
Balance, December 31, 2019 [Restated - note 2b]	**72**	**151,588**	**7,905,727**	**73,586,337**	**467,451**	**4,321,989**	**17,371,434**	**(84,776)**	**(59,069,095)**	**36,277,477**
Shares issued [note 11]	-	-	1,789,085	8,360,209	1,500,000	92,134	(1,302,076)	-	-	7,150,267
Share-based payments [note 12]	-	-	502,575	1,707,155	-	-	2,459,634	-	-	4,166,789
Share options exercised [note 12]	-	-	22,382	563,747	-	-	(504,185)	-	-	59,562
Warrants expired [note 11]	-	-		-	(37,313)	(89,429)	89,429	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	-	670,633	(13,854,255)	(13,183,622)
Balance, June 30, 2020 [Restated - note 2b]	**72**	**151,588**	**10,219,769**	**84,217,448**	**1,930,138**	**4,324,694**	**18,114,236**	**585,857**	**(72,923,350)**	**34,470,473**
Balance, December 31, 2020	**72**	**151,588**	**19,161,620**	**103,056,538**	**6,749,109**	**4,968,958**	**18,792,590**	**207,797**	**(90,868,888)**	**36,308,583**
Shares issued [note 11]	-	-	15,480,462	38,341,407	-	-	-	-	-	38,341,407
Share-based payments [note 12]	-	-	1,349,764	3,576,875	-	-	3,276,297	-	-	6,853,172
Share cancelation [note 12]	-	-	(156,278)	-	-	-	-	-	-	-
Comprehensive loss fo**r the period**	-	-	-	-	-	-	-	(79,318)	(23,146,781)	(23,226,099)
Balance, June 30, 2021	**72**	**151,588**	**35,835,568**	**144,974,820**	**6,749,109**	**4,968,958**	**22,068,887**	**128,479**	**(114,015,669)**	**58,277,063**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

FSD PHARMA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2021 and 2020
[unaudited] [expressed in United States dollar]

	2021 $	2020 [Restated - note 2b] $
Operating activities		
Net loss from continuing operations	**(22,160,002)**	(12,085,461)
Add (deduct) items not affecting cash		
Depreciation and amortization	**1,933,373**	1,965,668
Impairment of right-of-use asset	**-**	89,860
Interest expense	**38,242**	5,457
Share-based payments	**6,853,171**	2,668,323
Change in fair value of other investments	**(580,828)**	1,131,686
Change in fair value of derivative liability	**261,609**	(634,415)
Unrealized foreign exchange gain (loss)	**-**	13,603
Gain on settlement of financial liability	**(49,792)**	(40,409)
Changes in non-cash working capital balances		
Trade and other receivables	**(341,916)**	(507,294)
Prepaid expenses and deposits	**(1,010,317)**	(1,152,553)
Trade and other payables	**3,899,855**	(97,816)
Cash used in continuing operating activities	**(11,156,605)**	(8,643,351)
Cash used in discontinued operating activities	**(911,922)**	(573,353)
Cash used in operating activities	**(12,068,527)**	(9,216,704)
Investing activities		
Additions to intangible assets	**(500,000)**	-
Proceeds from sale of investments	**-**	6,372,375
Cash provided by (used in) continuing investing activities	**(500,000)**	6,372,375
Cash used in discontinued investing activities	**-**	-
Cash provided by (used in) investing activities	**(500,000)**	6,372,375
Financing activities		
Proceeds from issuance of shares, net	**38,341,407**	6,909,994
Proceeds from exercise of stock options	**-**	59,548
Repayment of notes payable	**(71,424)**	-
Repayment of lease obligation	**(29,665)**	(21,142)
Cash (used in) provided by continuing financing activities	**38,240,318**	6,948,400
Cash (used in) provided by discontinued financing activities	**-**	-
Cash (used in) provided by financing activities	**38,240,318**	6,948,400
Net increase in cash during the period	**25,671,791**	4,104,071
Cash, beginning of period	**17,524,822**	5,967,798
Cash, end of period	**43,196,613**	10,071,869

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

[unaudited] [expressed in United States dollars]

1. Nature of business

FSD Pharma Inc. ("FSD" or the "Company"), through its wholly owned subsidiary, FSD Biosciences Inc., is focused on Pharmaceutical research and development ("R&D") of its lead compound, FSD 201, ultra-micronized Palmitoyl ethylamine ("PEA"). FSD 201 is known to stabilize mast cells of the human body and down-regulate the pro-inflammatory cytokines to effectuate an anti-inflammatory response.

FV Pharma Inc. ("FV Pharma"), a wholly owned subsidiary of the Company, was a licensed producer of cannabis in Canada under the Cannabis Act (Canada) (together with the regulations promulgated thereunder (the "Cannabis Regulations"), the "Cannabis Act") and associated Cannabis Regulations. FV Pharma surrendered its cannabis license in September 2020. In March 2020, substantially all the assets of FV Pharma were classified as held for sale (refer to Note 3).

The Company's registered office is located at 199 Bay Street, Suite 4000, Toronto, Ontario, M5L 1A9.

Subsidiaries

These unaudited condensed consolidated interim financial statements are comprised of the financial results of the Company and its subsidiaries, which are the entities over which FSD has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

The Company has the following subsidiaries:

Entity Name	Country	Ownership percentage as at June 30, 2021	December 31, 2020
		%	%
FSD Biosciences Inc.	USA	100	100
Prismic Pharmaceuticals Inc.	USA	100	100
FV Pharma Inc.	Canada	100	100

Impact of COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

In order to mitigate the impact of COVID-19, the Company implemented a systematic and orderly scale back of FV Pharma's cultivation operations and a furlough policy for its workforce, except for certain personnel working staggered shifts to ensure continuity of operations and licensure effective March 23, 2020. Following the Company's decision to primarily focus its efforts and resources on the pharmaceutical business operated through FSD Biosciences Inc. in September 2020, FV Pharma surrendered its licenses and ceased all other operational activities. The Company's clinical trials for the use of FSD-201, its lead compound, to treat suspected or confirmed cases of COVID-19 are currently on hold as the Company analyzes and evaluates the commercial viability of the Phase 2 study. COVID-19 did not have a material impact on the continuing operations or financial results of the Company for the three and six months ended June 30, 2021.

[unaudited] [expressed in United States dollars]

2. Basis of presentation

[a] Statement of compliance

These unaudited condensed consolidated interim financial statements ("financial statements') were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2020. These financial statements have been prepared in compliance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. These financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 12, 2021.

[b] Functional currency and presentation currency

The financial statements of each company within the consolidated group are measured using their functional currency which is the currency of the primary economic environment in which an entity operates. The Company changed its functional currency from the Canadian dollar (C$) to the United States dollar (US$) as of October 1, 2020. The change in functional currency was the result of a review of the primary economic environment in which the entity operates and the currency that mainly influences the underlying transactions entered into by the Company. The Company's functional currency is the US$ and the functional currencies of its subsidiaries are as follows:

FSD Biosciences Inc.	United States Dollar
Prismic Pharmaceuticals Inc.	United States Dollar
FV Pharma Inc.	Canadian Dollar

The change in presentation currency is a voluntary change which is accounted for retrospectively. The change in presentation currency was made to better reflect the Company's business activities. For comparative reporting purposes, historical financial information has been translated to US$ using the exchange rate as at October 1, 2020, which is the date of the change in the functional and presentation currency.

[c] Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, consistent with those disclosed in the audited consolidated financial statements for the year ended December 31, 2020 and described in these financial statements. Actual results could differ from these estimates.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

[unaudited] [expressed in United States dollars]

3. Assets Held for Sale

In March 2020, the Company decided to focus its efforts and resources on the pharmaceutical business and initiated the process to exit the medical cannabis industry and sell FV Pharma's facility located at 520 William Street, Cobourg, Ontario, K9A 3A5 (the "Facility") and the 70-acre property on which the Facility is located (the "Facility Property"). The Company expects that the sale of the Facility and Facility Property will be completed within the next 12 months and is actively marketing the Facility and Facility Property for sale.

Initially, assets held for sale consisted of the Facility and Facility Property, all biological assets and inventory on hand, and equipment related to the Facility operations (collectively the "Disposal Group"). During the year ended December 31, 2020, the Company either sold or recognized impairment losses on biological assets, inventory and equipment. It is anticipated that no liabilities of the Company will be transferred as part of any proposed transaction. Results of operations related to the Facility are reported as discontinued operations for the three and six months ended June 30, 2021 and 2020.

In accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the assets held for sale were assessed for impairment based on fair value less costs to sell. The fair value was measured using the price at which the Company expects to receive for the disposal group less estimates for the costs of disposal. The fair value less costs to sell was higher than the carrying value of the disposal group resulting in recognition of the resulting group at carrying value.

Assets held for sale as at June 30, 2021 and December 31, 2020 consisted of the following:

	2021	2020
	$	$
Property and plant	**8,845,117**	8,610,504

Discontinued operations are reported when a component of the Company, representing a separate major line of business or area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. Discontinued operations are reported as a separate element of net income or loss on the consolidated statement of net and comprehensive loss for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statement of financial position. Comparative periods are not restated on the consolidated statement of financial position. Assets held for sale are not depreciated and are measured at the lower of carrying value and fair value less costs to sell. The change in assets held for sale period over period is due to foreign exchange.

[unaudited] [expressed in United States dollars]

Net loss and comprehensive loss from discontinued operations for the three and six months ended June 30, 2021 and 2020 is comprised of the following:

	Notes	For the three months ended June 30, 2021 $	2020 $	For the six months ended June 30, 2021 $	2020 $
Revenue		**-**	6,294	**-**	8,735
Cost of revenue		**-**	441,405	**-**	834,574
Gross loss before fair value adjustments		**-**	(435,111)	**-**	(825,839)
Fair value adjustments on inventory sold		**-**	(515)	**-**	(945)
Unrealized loss (gain) on changes in fair value of biological assets		**-**	-	**-**	166,886
Gross loss		**-**	(434,596)	**-**	(991,780)
Expenses					
General and administrative	14	**470,369**	146,252	**1,018,824**	714,510
Depreciation and amortization		**-**	-	**-**	90,340
Total operating expenses		**470,369**	146,252	**1,018,824**	804,850
Loss from discontinued operations		**(470,369)**	(580,848)	**(1,018,824)**	(1,796,630)
Other income		**(17,432)**	(13,918)	**(32,045)**	(27,836)
Net loss from discontinued operations		**(452,937)**	(566,930)	**(986,779)**	(1,768,794)

Cash flows from discontinued operations for the six months ended June 30, 2021 and 2020 is comprised of the following:

	For the six months ended June 30, 2021 $	2020 $
Operating activities		
Net loss from discontinued operations	**(986,779)**	(1,768,794)
Add (deduct) items not affecting cash		
Depreciation and amortization	**-**	108,209
Change in fair value adjustments on inventory sold	**-**	(945)
Impairment of inventory	**-**	534,814
Change in fair value of biological assets	**-**	166,886
Changes in non-cash working capital balances		
Trade and other receivables	**30,633**	506,705
Prepaid expenses and deposits	**(8,254)**	114,833
Inventories	**-**	(21,932)
Biological assets	**-**	(166,887)
Trade and other payables	**52,478**	(46,242)
Cash used in operating activities	**(911,922)**	(573,353)

4. Prepaid expenses and deposits

The Company's prepaid expenses and deposits include the following:

	June 30, 2021 $	December 31, 2020 $
Insurance	**986,235**	246,752
Other prepaids and deposits	**601,737**	322,649
	1,587,972	569,401

[unaudited] [expressed in United States dollars]

5. Investments

The following table outlines changes in investments:

Entity	Instrument	Note	Balance at December 31, 2020 $	Change in fair value through profit or loss $	Balance at June 30, 2021 $
Clover Cannastrip	Shares	(i)	-	-	-
HUGE Shops	Shares	(ii)	600,433	67,133	667,566
SciCann Therapeutics	Shares	(iii)	195,679	178	195,857
Solarvest BioEnergy Inc.	Shares	(iv)	447,678	326,850	774,528
Solarvest BioEnergy Inc.	Warrants	(iv)	74,813	(74,813)	-
Solarvest BioEnergy Inc.	Convertible debenture	(iv)	358,142	261,480	619,622
			1,676,745	**580,828**	**2,257,573**

(i) Clover Cannastrip Thin Film Technologies Corp. ("Clover")

On September 6, 2018, the Company subscribed for $1,128,450 of equity units in a brokered private placement by Clover. The equity investment is measured at fair value through profit or loss. Clover is not a publicly traded company; therefore, the fair value was classified as level 3 within the fair value hierarchy - significant unobservable inputs that are supported by little or no market activity. As at December 31, 2020 and as at June 30, 2021, the fair value was determined to be $nil based on the financial position of Clover and the Company's ability to recover its investment.

(ii) HUGE Shops

The Company's investment in HUGE Shops includes 17,333,333 shares based on the December 2018 subscription price of C$0.075 per share. The equity investment is measured at fair value through profit or loss. Huge Shops is not a publicly traded company; therefore, the fair value was classified as level 3 within the fair value hierarchy - significant unobservable inputs that are supported by little or no market activity. As at June 30, 2021, the Company determined the best information to assess the fair value of the investment was based on movement of comparable public companies' share prices, resulting in an increase in the fair value of the investment of 8% from December 31, 2020. Comparable companies were determined in looking at product offering, relative size of operations, geographical market and other factors. A change in this assumption of plus or minus 10% would result in a corresponding change in fair value of the investment of approximately $5,077.

(iii) SciCann Therapeutics Inc.

The investment includes 117,648 shares based on the subscription price in May of 2018 and October of 2018 of C$17 per share. The equity investment is measured at fair value through profit or loss. SciCann Therapeutics Inc. is not a publicly traded company therefore, the fair value was classified as level 3 within the fair value hierarchy. As at June 30, 2021, the Company determined the best information to assess the fair value of the investment was based on movement of comparable public companies' share prices, resulting in a decrease in the fair value of investment of 3% from December 31, 2020. Comparable companies were determined in looking at product offering, relative size of operations, geographical market and other factors. A change in this assumption of plus or minus 10% would result in a corresponding change in fair value of the investment of approximately $515.

(iv) Solarvest BioEnergy Inc. ("Solarvest")

On May 7, 2019, the Company acquired 3,000,000 common shares, 3,000,000 warrants and a convertible debenture at a principal amount of $1,805,520 for a total fair value of $2,256,900 of Solarvest in exchange for 49,751 Class B common shares of the Company with a fair value of $1,880,750 based on a market price of C$50.25 and recognition of a derivative liability of $376,150. Under the terms of the agreement, the Company has guaranteed a minimum liquidation value of its shares to Solarvest of $2,256,900 resulting in recognition of the derivative liability. If the liquidation value of the Company's shares is below $2,256,900, the Company would be required to issue additional shares for the difference in actual value realized and the minimum guaranteed value.

[unaudited] [expressed in United States dollars]

As at December 31, 2019, the fair value of the derivative liability was $1,990,788. The fair value was determined based on the additional common shares of the Company required to be issued to Solarvest to meet the minimum liquidation value of $2,256,900. On February 4, 2020, the Company issued 225,371 shares to Solarvest to settle the derivative liability. The fair value of the shares issued was $1,356,373 resulting in recognition of a gain of $634,415 on settlement of the derivative liability.

As at June 30, 2021, the fair value of the shares was determined based on the quoted market price of the shares at C$0.32 per share. The warrants expired unexercised during the six months ended June 30, 2021. The fair value of the convertible debenture is calculated as the fair value of shares if converted at SVS share price as at June 30, 2021, of C$0.32. The shares have been classified as level 1 within the fair value hierarchy - quoted market price, and the convertible debenture have been classified as level 2 - valuation technique with observable market inputs.

6. Intangible assets

Intangible assets as at June 30, 2021 is as follows:

	$
Cost	
As at December 31, 2020	19,201,493
Additions	500,000
As at June 30, 2021	**19,701,493**
Accumulated amortization	
As at December 31, 2020	5,777,102
Amortization	1,933,373
As at June 30, 2021	**7,710,475**
Net book value	
As at December 31, 2020	13,424,391
As at June 30, 2021	**11,991,018**

The Company acquired intellectual property as part of the acquisition of Prismic Pharmaceuticals Inc. ("Prismic") on June 28, 2019. The life of the intellectual property has been determined to be 5 years. Amortization of the intellectual property commenced on the date of acquisition.

On March 9, 2021, the Company entered into a license agreement ("Innovet License Agreement") with Innovet Italia S.R.L. ("Innovet"), under which Innovet granted the Company a license to use ultra-micro PEA to develop FDA approved veterinary drugs for the treatment of gastro-intestinal diseases in canines and felines. Under the Innovet license agreement, the Company is required to make payments to Innovet upon the achievement of certain milestones, including $500,000 which was paid upon execution of the Innovet License Agreement as consideration in exchange for the rights to the Licensed Products. The life of the intellectual property has been determined to be 5 years. Amortization of the intellectual property commenced on the date of the agreement.

[unaudited] [expressed in United States dollars]

7. Trade and other payables

Trade and other payables consists of the following:

	June 30, 2021	December 31, 2020
	$	$
Trade payables	**3,573,073**	2,063,162
Accrued liabilities (i)	**4,370,499**	1,622,227
Other payables	**10,218**	14,714
	7,953,790	3,700,103

(i) Accrued liabilities

	June 30, 2021	December 31, 2020
	$	$
External research and development fees	**2,630,729**	248,898
Operational expenses	**696,896**	229,758
Professional fees	**591,184**	435,244
Accrued interest	**337,951**	349,566
Severance	**113,739**	166,662
Bonus	**-**	192,099
	4,370,499	1,622,227

8. Notes Payable

Notes payable consists of the following:

	June 30, 2021	December 31, 2020
	$	**$**
Short-term notes	**549**	49,647
Notes payable	**300,000**	335,000
	300,549	384,647

Short-term notes

The short-term notes represent notes outstanding that the Company assumed on acquisition of Prismic. The notes have matured, are due on demand and accrue interest at a rate of 10% per annum. The notes are held by former Directors and Shareholders of Prismic.

Notes payable

The notes payable represent notes outstanding that the Company assumed on acquisition of Prismic. The notes have matured and are due on demand. The notes accrue interest at a rate of 20% per annum. The notes are held by former Directors and Shareholders of Prismic.

During the six months ended June 30, 2021, the Company settled notes payables in the amount of $84,098, accrued interest of $45,346, and $201,695 of other Prismic related liabilities with cash of $281,235. A gain of $49,904 was recognized on settlement as the value of the consideration was less than the carrying value of the notes payable, accrued interest and other related Prismic liabilities.

9. Lease obligations

The lease obligations as at June 30, 2021 are as follows:

	$
Balance - December 31, 2020	125,962
Add: Interest Expense	4,511
Less: Lease Payments	(29,665)
Effects of foreign exchange	9,189
Balance - June 30, 2021	**109,997**
Current	48,371
Non-current	61,626
Balance - June 30, 2021	**109,997**

Lease obligations are related to the Company's office lease. As of June 30, 2021, the Company did not occupy the leased premises. The Company has commenced plans to sublease the premises, however if or when the Company will be able to sublease the premises is unknown.

The following table sets out a maturity analysis of the lease payments payable, showing the undiscounted lease payments to be paid on an annual basis, reconciled to the lease obligation.

	$
Less than one year	48,371
One to two years	48,371
Two to three years	24,185
Thereafter	-
Total undiscounted lease payments payable	120,927
Less: impact of present value	(10,930)
Balance - June 30, 2021	**109,997**

10. Warrants liability

In August 2020, the Company issued 2,762,430 Class B Common Shares and 1,381,215 warrants to purchase Class B Shares for total cash proceeds of $9,999,997. Each warrant is exercisable to purchase one Class B Common Share of the Company at an exercise price of $4.26 per share and expire five years from the date of issuance.

On initial recognition the Company determined that these warrants did not meet the IFRS definition of equity due to the exercise price being denominated in United States dollar, which was not the functional currency of the Company at the time resulting in variability in exercise price. The change in functional currency on October 1, 2020, was determined to be a change in circumstance and, as such, the Company has made an accounting policy choice to continue to recognize the warrants as a financial liability classified at fair value through profit or loss. The classification of any new warrants issued from October 1, 2020, forward are assessed based on the new functional currency which is the United States dollar.

Transaction costs allocated to the warrants of $284,049 were expensed immediately. The fair value of these warrants is classified as Level 2 in the fair value hierarchy. As at the date of issuance the fair value of the warrants was determined to be $3,289,069 using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $3.01 on date of issuance, risk-free interest rate of 0.32% and annualized volatility of 121%.

[unaudited] [expressed in United States dollars]

The fair value of the warrants liability as at December 31, 2020 was $1,447,910. The fair value was determined using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $1.56, risk-free interest rate of 0.33% and annualized volatility of 117%.

The fair value of the warrants liability as at June 30, 2021 was $1,709,519 resulting in a loss on change in fair value of $261,609 for the six months ended June 30, 2021. The fair value was determined using the Black-Scholes option pricing model and the following assumptions: exercise price of $4.26, the underlying share price of $1.74, risk-free interest rate of 0.87% and annualized volatility of 128%.

11. Share capital

[a] Authorized

The Company is authorized to issue an unlimited number of Class A multiple voting shares ("Class A shares") and an unlimited number of Class B subordinate voting shares ("Class B shares"), all without par value. All shares are ranked equally with regards to the Company's residual assets.

The holders of Class A shares are entitled to 276,660 votes per Class A share held. Class A shares are held by certain Directors of the Company.

[b] Issued and outstanding

Reconciliation of the Company's share capital is as follows:

	Class A shares		Class B shares		Warrants	
	#	$	#	$	#	$
Balance, December 31, 2019	72	151,588	7,905,727	73,586,337	467,451	4,321,989
Shares issued [b] [e] [f]	-	-	1,789,085	8,360,209	1,500,000	92,134
Share-based payments [a] [c] [d]	-	-	502,575	1,707,155	-	-
Share options exercised	-	-	22,382	563,747	-	-
Warrants expired	-	-	-	-	(37,313)	(89,429)
Balance, June 30, 2020	**72**	**151,588**	**10,219,769**	**84,217,448**	**1,930,138**	**4,324,694**
Balance, December 31, 2020	**72**	**151,588**	**19,161,620**	**103,056,538**	**6,749,109**	**4,968,958**
Shares issued [g]	-	-	15,480,462	38,341,407	-	-
Share-based payments [h]	-	-	1,349,764	3,576,875	-	-
Share cancellation [h]	-	-	(156,278)	-	-	-
Balance, June 30, 2021	**72**	**151,588**	**35,835,568**	**144,974,820**	**6,749,109**	**4,968,958**

[a] On January 2, 2020, the Company issued 27,580 Class B Common Shares as share-based compensation to certain members of the Board of Directors for services performed as directors for the fiscal year 2019 for the amount payable of $74,117, which was recorded as trade and other payables as at December 31, 2019.

[unaudited] [expressed in United States dollars]

[b] On February 4, 2020, the Company issued 225,371 Class B Common Shares to Solarvest as settlement under the Share Exchange Agreement to settle the derivative liability of $1,990,788.

[c] On March 16, 2020, the Company issued 405,926 Class B Common Shares as part of a share-based bonus to employees for performance related to fiscal year 2019 resulting in movement of $1,302,076 from contributed surplus to share capital and the recognition of an additional share-based compensation expense of $93,502 as a result of the increase in value of the shares issued.

[d] On March 16, 2020, the Company issued 69,069 Class B Common Shares to certain members of the Board of Directors as share-based compensation, in lieu of cash, for their annual compensation for the year ended December 31, 2020.

[e] On April 15, 2020, the Company issued 63,714 Class B Common Shares to settle Prismic notes payable of $226,385. The fair value of the Class B Common Shares was $185,976 resulting in a gain on settlement of liability of $40,409.

[f] On June 8, 2020, the Company issued 1,500,000 Class B Common Shares and 1,500,000 warrants as part of a private placement financing for total cash proceeds of C$10,125,000 ($7,617,038). The more reliably measured component, Class B Common Shares, were measured first, with the residual amount being allocated to the warrants. The fair value of the Class B Common Shares was $7,515,477 and the residual value allocated to the warrants was $101,561. The Company incurred issuance costs of $707,043, which has been allocated pro-rata to the common shares and warrants.

[g] During the six months ended June 30, 2021, the Company issued 15,480,462 Class B Common Shares through the Equity Distribution Agreement with A.G.P/Alliance Global Partners for gross proceeds of $39,765,474. The Company incurred transaction fees of $1,424,067.

[h] On February 17, 2021, the Company issued 1,349,764 Class B Common Shares to certain officers and members of the Board of Directors as share-based compensation. In June 2021, 156,278 Class B Common Shares issued to certain members of the Board of Directors were cancelled. The Company is working to cancel the shares issued to a certain officer and is currently pursuing its legal options with respect to this matter (Note 15).

The number of warrants outstanding during the six months ended June 30, 2021 and 2020 were as follows:

	Number of warrants #	Weighted average exercise price C$
Outstanding as at December 31, 2019	467,451	10.20
Issued	1,500,000	9.65
Expired	(37,313)	6.03
Outstanding as at June 30, 2020	1,930,138	9.85
Outstanding as at December 31, 2020	6,749,109	5.62
Outstanding as at June 30, 2021	6,749,109	5.54

[unaudited] [expressed in United States dollars]

Measurement of fair values

There were no warrants granted during the six months ended June 30, 2021. The fair value of warrants granted during the six months ended June 30, 2020 were estimated using the residual method. The more reliably measured component, Class B Common Shares, were measured first, with the residual amount being allocated to the warrants.

The following table is a summary of the Company's warrants outstanding as at June 30, 2021:

	Warrants Outstanding	
	Exercise price	Number outstanding
Expiry Date	C$	#
August 1, 2021	5.43	4,476
May 24, 2022	18.09	163,535
September 15, 2022	4.42	199,005
May 20, 2023	16.08	7,311
July 24, 2023	13.07	3,357
September 11, 2023	5.43	22,382
May 4, 2025	26.73	3,730
May 10, 2025	26.73	1,865
May 17, 2025	26.73	3,730
May 31, 2025	26.73	1,865
June 8, 2025	9.65	1,500,000
August 6, 2025 (i)	5.28	1,381,215
October 20, 2025 (ii)	3.22	3,454,543
January 16, 2026	26.73	1,722
January 20, 2026	26.73	373
	5.54	**6,749,109**

(i) Warrants were issued in US$ with exercise price of $4.26
(ii) Warrants were issued in US$ with exercise price of $2.60

The following table is a summary of the Company's warrants outstanding as at June 30, 2020:

	Warrants Outstanding	
	Exercise price	Number outstanding
Expiry Date	C$	#
November 30, 2020	2.61	16,787
August 1, 2021	5.43	4,476
May 24, 2022	18.09	163,535
September 15, 2022	4.42	199,005
May 20, 2023	16.08	7,311
July 24, 2023	13.07	3,357
September 11, 2023	5.43	22,382
May 4, 2025	26.73	3,730
May 10, 2025	26.73	1,865
May 17, 2025	26.73	3,730
May 31, 2025	26.73	1,865
June 8, 2025	9.65	1,500,000
January 16, 2026	26.73	1,722
January 20, 2026	26.73	373
	9.85	**1,930,138**

[unaudited] [expressed in United States dollars]

12. Share-based payments

The Company has established a share option plan (the "Option Plan") for directors, officers, employees and consultants of the Company. The Company's Board of Directors determines, among other things, the eligibility of individuals to participate in the Option Plan, the term and vesting periods, and the exercise price of options granted to individuals under the Option Plan.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the individual on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Share-based payment arrangements
The changes in the number of share options during the six months ended June 30, 2021 and 2020 were as follows:

	Number of options #	Weighted average exercise price C$
Outstanding as at December 31, 2019	1,454,943	21.96
Granted	1,017,139	4.85
Exercised	(22,382)	2.61
Cancelled	(822,137)	31.65
Outstanding as at June 30, 2020	1,627,563	6.24
Exercisable as at June 30, 2020	1,467,188	6.15
Outstanding as at December 31, 2020	1,693,063	6.11
Granted	2,390,000	2.30
Forfeited	(47,500)	4.83
Expired	(412,766)	4.48
Cancelled	(307,987)	9.85
Outstanding as at June 30, 2021	**3,314,810**	**3.24**
Exercisable as at June 30, 2021	**3,276,053**	**3.20**

During the three and six months ended June 30, 2021, 412,766 share options related to former members of the Board of Directors and employees who are no longer with the Company expired. Individuals who are no longer with the Company have 30 days after their last day to exercise any vested share options. Vested options that remain unexercised after 30 days expire.

During the three and six months ended June 30, 2021, the Company cancelled 166,698 and 307,987 options outstanding in accordance with the Option Plan and agreements with the respective option holders.

Measurement of fair values

The fair value of share options granted during the six months ended June 30, 2021 and 2020 were estimated at the date of grant using the Black-Scholes option pricing model with the following inputs:

[unaudited] [expressed in United States dollars]

	2021	2020
Grant date share price	**C$2.17 - C$2.85**	C$3.86 - C$9.54
Exercise price	**C$2.25 - C$4.25**	C$3.86 - C$9.80
Expected dividend yield	**-**	-
Risk free interest rate	**0.34% - 0.81%**	0.50% - 1.55%
Expected life	**3 - 6 years**	4 - 9 years
Expected volatility	**129% - 132%**	120%

Expected volatility was estimated by using the historical volatility of the Company. The expected option life represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on government bonds with a remaining term equal to the expected life of the options.

The following table is a summary of the Company's share options outstanding as at June 30, 2021:

Options outstanding			**Options exercisable**	
Exercise price C$	Number outstanding #	Weighted average remaining contractual life [years] #	Exercise price C$	Number exercisable #
2.25	2,270,000	2.92	2.25	2,270,000
2.61	12,684	1.99	2.61	12,683
3.75	10,500	4.43	3.75	5,500
3.86	547,289	3.73	3.86	543,538
4.42	99,503	1.21	4.42	99,502
4.75	65,000	3.79	4.75	65,000
5.43	16,265	1.99	5.43	16,264
7.17	199,005	3.33	7.17	199,005
7.63	50,000	4.51	7.63	20,000
10.65	3,731	1.99	10.65	3,730
13.07	10,856	1.99	13.07	10,855
13.47	1,418	1.99	13.47	1,418
16.08	18,410	1.99	16.08	18,409
17.89	4,178	1.99	17.89	4,178
18.09	2,488	1.74	18.09	2,488
50.25	3,483	2.79	50.25	3,483
3.24	**3,314,810**	**3.05**	**3.20**	**3,276,053**

[unaudited] [expressed in United States dollars]

The following table is a summary of the Company's share options outstanding as at June 30, 2020:

Options outstanding			Options exercisable	
Exercise price C$	Number outstanding #	Weighted average remaining contractual life [years] #	Exercise price C$	Number exercisable #
2.61	12,683	2.99	2.61	12,683
3.86	837,139	4.59	3.86	837,139
4.42	99,502	2.21	4.42	99,502
4.75	110,000	4.79	4.75	77,500
5.43	16,264	2.99	5.43	16,264
6.16	20,000	3.68	6.16	20,000
7.17	199,005	4.33	7.17	199,005
7.63	203,750	4.84	7.63	97,500
7.83	35,000	4.38	7.83	19,000
9.54	15,000	4.56	9.54	9,375
10.65	3,730	2.99	10.65	3,730
13.07	10,855	2.99	13.07	10,855
13.47	1,418	2.99	13.47	1,418
16.08	18,409	2.99	16.08	18,409
17.89	4,178	2.99	17.89	4,178
18.09	17,413	2.72	18.09	17,413
20.10	8,289	2.78	20.10	8,289
47.24	1,493	3.87	47.24	1,493
50.25	5,224	3.82	50.25	5,224
52.26	498	3.71	52.26	498
55.28	498	3.62	55.28	498
59.30	498	3.46	59.30	498
75.38	498	3.54	75.38	498
86.43	1,244	3.38	86.43	1,244
142.71	4,975	3.24	142.71	4,975
6.24	**1,627,563**	**4.34**	**6.15**	**1,467,188**

The Company recognized $3,020,647 and $6,853,171 of share-based compensation expenses during the three and six months ended June 30, 2021 (2020 - $364,080 and $2,668,322). Included in share-based compensation expense is $85,140 and $100,585 for the three and six months ended June 30, 2021, respectively, related to cancelled share options.

[unaudited] [expressed in United States dollars]

13. Loss per share

Net loss per common share represents net loss attributable to common shareholders divided by the weighted average number of common shares outstanding during the period.

For all the periods presented, diluted loss per share equals basic loss per share due to the anti-dilutive effect of warrants and share options. The outstanding number and type of securities that could potentially dilute basic net loss per share in the future but would have decreased the loss per share (anti-dilutive) for the six months ended June 30, 2021 and 2020 presented are as follows:

	June 30, 2021	June 30, 2020
	#	#
Warrants	**6,749,109**	1,930,138
Share Options	**3,314,810**	1,627,563
	10,063,919	3,557,701

14. General and administrative

Components of general and administrative expenses for the three and six months ended June 30, 2021 and 2020 were as follows:

	For the three months ended June 30,		**For the six months ended June 30,**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Professional fees	**2,797,012**	181,454	**3,848,488**	1,220,251
General office, insurance and administration expenditures	**1,132,494**	776,979	**1,979,776**	1,771,137
Consulting fees	**545,586**	394,209	**1,275,426**	1,033,386
Salaries, wages and benefits	**973,662**	479,792	**1,668,398**	964,688
Investor relations	**36,448**	116,307	**75,249**	419,588
Building and facility costs	**188,019**	15,323	**578,382**	196,660
Foreign exchange loss (gain)	**(129,161)**	91,371	**(284,345)**	33,855
	5,544,060	2,055,435	**9,141,374**	5,639,565
Allocated to:				
Continuing operations	**5,073,691**	1,909,183	**8,122,550**	4,925,055
Discontinued operations	**470,369**	146,252	**1,018,824**	714,510

15. Commitments and contingencies

Commitments

Epitech License Agreement

Under the terms of the Company's License Agreement with Epitech Group SPA ("Epitech"), the Company has payments due to Epitech pending the achievement of specified milestones. Upon first notification by the Food and Drug Administration ("FDA") of approval of a New Drug Application, the non-refundable sum of $700,000 will be due and payable to Epitech. Within ten business days of the first notification of approval of a Supplemental New Drug Application by the FDA, the Company will pay the non-refundable sum of $1,000,000 to Epitech.

For non-prescription drug rights, any one-off lump sum payments received by the Company as consideration for granting a sub-license to a Commercial Partner with respect to a Licensed Product, shall require the Company to pay to Epitech 25% of the lump sum payment received by the Company. For prescription drug rights the Company shall pay 5% of any one-off lump sum payments to Epitech as consideration for granting a sub-license to a Commercial Partner with respect to a Licensed Product. The Company will pay the amounts payable on a quarterly basis within 60 days of the end of each calendar quarter.

The Company shall pay either a) 7% of Net Sales of the Licensed Product in a Product Regulatory Category other than prescription drugs place on the market by the Company; or b) 25% of Net Receipts received by the Company from Commercial Partners where Licensed Products in a Product Regulatory Category other than prescription drugs are placed on the market by such Commercial Partners; or c) 5% of Net Sales or Net receipts of the Licensed Products in the Product Regulatory Category of prescription drugs. The Company will pay the amounts payable on a quarterly basis within 60 days of the end of each calendar quarter.

Innovet License Agreement

Under the terms of the Innovet license agreement, the Company has payments due to Innovet pending the achievement of specified milestones. Upon the one year anniversary of the agreement, the non-refundable sum of $250,000 will be due and payable to Innovet. Within thirty days from the first notification by the FDA of approval of a New Animal Drug Application ("NADA"), the Company will pay the non-refundable sum of $750,000 to Innovet.

Any one-off lump sum payments received by the Company as consideration for granting a sub-license to a Commercial Partner with respect to a Licensed Product, shall require the Company to pay to Innovet 14% of the lump sum payment received by the Company. The Company will pay the amounts payable on a quarterly basis within 60 days of the end of each calendar quarter.

The Company shall pay 5% of Net Sales of the Licensed Product. The Company will pay the amounts payable on a quarterly basis within 60 days of the end of each calendar quarter.

Contingencies

Legal matters

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 the reporting date, 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.

Environmental

Management believes that there are no probable environmental related liabilities that will have a material adverse effect on the financial position or operating results of the Company.

Former employee

FSD hired an individual by way of employment agreement. The individual's employment was subsequently terminated in the probationary period due to non-performance/cause in February 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) payment for breach of contract.

On July 29, 2020, a judgment was issued ordering the Company to pay unpaid wages and unpaid holiday pay in the amount of £59,748. On August 6, 2020, the Company filed an application for reconsideration for that decision which was refused by the Tribunal on October 24, 2020.

On August 25, 2020, the Claimant filed a separate cost order against the Company. On March 9, 2021, the Company received a Case Management Order with respect to the claim against the Company before a British Employment Tribunal. The Case Management Order stipulated that the Tribunal would proceed to hear the claim for costs, although no specifics on timing have been received. The Claimant has also asserted that he has a breach of notice claim against the Company that Claimant values at £400,000. To date, the Claimant has not brought such a claim. On May 6, 2021, a judge granted a cost order in the sum of £10,287.

In July 2021, the Company entered into a settlement agreement in the amount of £165,000. The Company has recorded a provision of $227,985 (£165,000) as at June 30, 2021. The settlement agreement provides for a full and final release of the Company, its officers, directors and various other related parties from any and all claims that arose or could have arisen from the claim issued.

Class Action

On February 22, 2019, a shareholder in FSD commenced a proposed class action proceeding against the Company by issuing a statement of claim in the Ontario Superior Court. Amongst other causes of action, the individual seeks leave to bring a claim pursuant to s.138 of the Ontario Securities Act, alleging the Company made statements containing misrepresentations related to the build-out of the Company's Facility.

The Company has settled the class action by entering into a definitive settlement agreement ("Settlement Agreement") in the amount of C$5.5M. In entering into the Settlement Agreement, the Company made no admissions of liability whatsoever. The Settlement Agreement provides for a full and final release of the Company, its officers, directors and various other related parties from any and all claims that arose or could have arisen from the claim issued by the plaintiff within the Settled Action.

Auxly Cannabis Group Inc.

On March 3, 2018, FSD entered into a Definitive Strategic Alliance and Streaming Agreement (the "Agreement") with Auxly Cannabis Group Inc. ("Auxly"). On February 6, 2019, the Company delivered to Auxly a Notice of Default, thereby terminating the Agreement effective immediately. Subsequent to the issuance of the Notice of Default, Auxly sent a Notice of Default to the Company on February 6, 2019 in response. To date, neither party has taken further legal action against the counter party.

To fund the development, Auxly purchased 37,313 Class B shares for the aggregate of $5,642,250 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 will be released to the Company. Should any funds be released to the Company, those amounts will be recognized in future periods.

Requisitioning Shareholders

On January 4, 2021, a group of shareholders (the "Requisitioning Shareholders") requisitioned a meeting of shareholders pursuant to section 105 of the Business Corporations Act (Ontario). Pursuant to that section, the current Board of Directors was required to call a meeting within twenty-one days, unless an exclusion applied.
At its meeting on January 21, 2021, the Board of Directors called an annual meeting of shareholders for June 29, 2021. This meeting was announced by press release issued on January 22, 2021.

On February 4, 2021, the Requisitioning Shareholders commenced an application to the Superior Court of Justice in Toronto for a declaration that they were entitled to call a meeting for March 31, 2021, or in the alternative for an order that a meeting be held on that date.

The Requisitioning Shareholders subsequently amended their application to include a request for: (i) an order prohibiting any current director (other than the Requisitioning Shareholders) from chairing the meeting and, if necessary, appointing an independent chair to conduct the meeting of shareholders, (ii) an order setting the record date for the meeting as January 29, 2021, and (iii) an order that none of the current directors (other than themselves) or any of their affiliates may vote any shares issued to them since January 4, 2021.

The application was heard by the court on March 4, 2021. A decision was rendered on March 5, 2021.

The court ordered that the Company hold the requisitioned meeting, together with an annual meeting of shareholders, on May 14, 2021. In regards to the conduct of the meeting, the court ordered that the parties agree on an independent chair to conduct the meeting. The court also ordered that the CEO and the Board of Directors (the "Individual Respondents") be restrained from voting at the meeting any shares issued to them since January 4, 2021. Apart from that, no restrictions are placed on the voting of any shares of the Company, including any other shares issued after January 4, 2021. Nor did the court make any order respecting the record date.

On April 6, 2021, the Requisitioning Shareholders filed a Statement of Claim in the Ontario Superior Court against the Company and the Board of Directors, claiming that the business and affairs of the Company are being carried out in a manner that is oppressive. The claim, among other things, seeks to restrain the Company from issuing any new shares in the capital of the Company or cash compensation prior to the Annual General Meeting, the removal of the CEO from his position as Executive Chairman of the Board of Directors of the Company prior to the Annual General Meeting, and a claim of C$68 million, payable to the Company, for harm caused to it and its shareholders.

On May 16, 2021, the Company announced the results of its annual general and special meeting of the shareholders held on May 14, 2021. The previous Board of Directors was relieved of their duties and a new Board of Directors was elected.

Parkway Clinical Laboratories

Parkway Clinical Laboratories ("PCL"), a company wholly owned by the Company's former CEO, Raza Bokhari, has filed an action on July 8, 2021 against the Company. PCL has advanced two claims: (1) breach of contract in which PCL alleges that the Company failed to pay for $1,412,951 worth of services rendered (e.g., providing office space, personnel, and financial assistance); and (2) alleging that the Company received the benefit of the same services referenced in the breach of contract claim without paying for them.

The ultimate outcome of the matter cannot be reliably determined at this time and no provision has been recorded for this matter as at June 30, 2021.

Raza Bokhari

On July 15, 2021, the Company's former CEO, Raza Bokhari, filed a notice of arbitration and is seeking relief and support for breach of contract and severance and damages in the amount of $30,200,000, for aggravated and punitive damages in the amount of $500,000 and legal fees and disbursements associated with the action. Raza Bokhari was placed on administrative leave from his role as the Company's Chief Executive Officer following the Company's annual general and special meeting of shareholders on May 14, 2021, pending the outcome of an investigation of various concerns by a Special Committee comprised of independent directors. Upon the recommendation of the Special Committee, Raza Bokhari's employment was terminated for cause by the Company's board of directors on July 26, 2021.

The ultimate outcome of the matter cannot be reliably determined at this time and no provision has been recorded for this matter as at June 30, 2021.

Restraining Order

On July 2, 2021, the former CEO, Raza Bokhari, filed an action against the Company (the "Complaint") seeking to prevent the Company from cancelling shares of the Company issued in February 2021, to Raza Bokhari.

Raza Bokhari alleges that he had received shares of stock in FSD Pharma pursuant to the terms of an employment contract, and that the Company thereafter contacted his broker in a purportedly improper effort to cancel those shares after they were issued. Raza Bokhari advanced two claims in his Complaint: (a) claiming tortious interference with contractual relations, in which Raza Bokhari alleges that the Company interfered with the contract between him and his broker by demanding the return of the shares; and (b) conversion, in which Raza Bokhari alleges that he is entitled to the shares at issue and will be harmed by the Company's demand for their return. The damages sought by Raza Bokhari were not stated in the Complaint.

Raza Bokhari filed a Motion for Temporary Restraining order and Preliminary Injunction, in which he sought to prevent the defendants from interfering with his access to and use of the disputed shares. This motion was heard in Court and denied in its entirety on July 26, 2021.

The ultimate outcome of the matter cannot be reliably determined at this time and no provision or contingent asset has been recorded for this matter as at June 30, 2021. The Company's response to the Complaint is due by August 16, 2021.

Derivative Complaint

On July 20, 2021, a shareholder filed a claim against the Company and its directors and officers seeking to remedy harm they believe the directors and officers of the Company have caused by their actions. The shareholder has filed the claim on count of breach of fiduciary duties and corporate waste against the directors and officers.

The ultimate outcome of the matter cannot be reliably determined at this time and no provision has been recorded for this matter as at June 30, 2021.

FSD Biosciences employees

During the three months ended June 30, 2021, two former FSD Biosciences employees resigned from their positions ("former employees") and the Company accepted their resignations. Subsequent to their resignations the former employees filed a joint claim seeking relief and support for (i) severance and bonuses in the amount of $600,000; undetermined amounts for (ii) detrimental reliance, (iii) unjust enrichment, (iv) fraud, (v) promissory estoppel and (vi) Pennsylvania wage payment and collection law.

[unaudited] [expressed in United States dollars]

The ultimate outcome of the matter cannot be reliably determined at this time and no provision has been recorded for this matter as at June 30, 2021.

16. Related party transactions

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly.

Transactions with key management and directors comprised the following:

a. The Company paid expenses of $nil and $262,834 (2020 - $294,321 and $712,803) to a company owned by the former CEO for the three and six months ended June 30, 2021, included in the consolidated statement of loss and comprehensive loss under various expense line categories.

b. The Company pays independent directors compensation of C$60,000, with the chair of the audit committee receiving an additional C$20,000 and the chair of the compensation committee receiving an additional C$10,000. Director's compensation for the three and six months ended June 30, 2021 was $33,385 and $574,930 (2020 - $59,807 and $122,708), which includes $466,545 recognized as share-based compensation for shares issued (Note 16(c)).

c. In February 2021, as compensation, the Company issued 1,349,764 shares with a fair value of $3,576,875 to Raza Bokhari, in his capacity as Board Chair and Chief Executive Officer, and to certain other directors. Of the 1,349,764 shares issued, 1,173,709, with a fair value of $3,110,330, were issued to Raza Bokhari and 176,055 shares, with a fair value of $466,545, were issued to other directors. In June 2021, 156,278 of the shares issued to directors in February 2021 were cancelled. The Company is working to cancel certain of the shares issued to Raza Bokhari in February 2021 and is currently pursuing its legal options with respect to this matter.

d. The Company reimbursed certain directors C$1,334,158 for expenses incurred in relation to requisitioning, calling and holding the shareholders' meeting.

Key management personnel compensation during the three and six months ended June 30, 2021 and 2020 comprised of:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
	$	$	$	$
Salaries, benefits, bonuses and consulting fees	229,909	633,223	745,785	1,368,258
Share-based payments and bonuses	2,819,217	292,795	6,674,635	2,329,884
Total	**3,049,126**	**926,018**	**7,420,420**	**3,698,142**

17. Subsequent events

On July 26, 2021, the Company issued 100,000 warrants to a related party controlled by a director of the Company. Each warrant can be exercised into a Class B Common Share of the Company, at an exercise price of C$2.50, at any time on or before June 30, 2023.

On July 27, 2021, the Company announced the termination of CEO, Raza Bokhari, for cause. The Company's board of directors has appointed Anthony Durkacz as the Company's interim CEO and Zeeshan Saeed was reinstated as the Company's President.

FORM 52-109F2

Certification of Interim Filings
Full Certificate

I, Anthony Durkacz, Chief Executive Officer of FSD Pharma Inc. (the "**Issuer**"), certify the following:

1. ***Review*****:** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings"**) of FSD Pharma Inc. (the "**issuer**") for the interim period ended June 30, 2021.

2. ***No misrepresentations*****:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation*****:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility*****:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (**DC&P**) and internal control over financial reporting (**ICFR**), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* for the issuer.

5. ***Design*****:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings:

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework*****:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).

5.2 ***ICFR - material weakness relating to design*****:** N/A

5.3 ***Limitation on scope of design*****:** N/A

6. ***Reporting changes in ICFR*****:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2021 and ended on June 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2021.

/s/ Anthony Durkacz

Anthony Durkacz
Chief Executive Officer

FORM 52-109F2

Certification of Interim Filings
Full Certificate

I, Nathan Coyle, Chief Financial Officer of FSD Pharma Inc. (the "**Issuer**"), certify the following:

1. ***Review*****:** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings**") of FSD Pharma Inc. (the "**issuer**") for the interim period ended June 30, 2021.

2. ***No misrepresentations*****:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation*****:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility*****:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (**DC&P**) and internal control over financial reporting (**ICFR**), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings,* for the issuer.

5. ***Design*****:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings:

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework*****:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).

5.2 ***ICFR - material weakness relating to design*****:** N/A

5.3 ***Limitation on scope of design*****:** N/A

6. ***Reporting changes in ICFR*****:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2021 and ended on June 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2021.

/s/ **Nathan Coyle**

Nathan Coyle
Chief Financial Officer