

Pharmadrug Inc. Completes Strategic Mutual Investment with Red Light Holland Corp.

Toronto, Ontario--(Newsfile Corp. - July 16, 2020) - PharmaDrug Inc. (CSE: BUZZ) (OTC: LMLLF) ("PharmaDrug" or the "Company") is pleased to announce that it has completed the share exchange transaction with Red Light Holland Corp. ("RLH") (CSE: TRIP) (FSE: 4YX), an Ontario-based corporation positioning itself to engage in the production, growth and sale of a premium brand of magic truffles to the legal, recreational market within the Netherlands, announced in the Company's July 16, 2020 press release.

Under the terms of the agreement, the Company issued 9,333,333 units to RLH (the "PharmaDrug Units") at a price of \$0.075 per PharmaDrug Unit, and RLH issue 4,242,424 units (the "RLH Units") to the Company. Each PharmaDrug Unit consists of (i) one common share of PharmaDrug, (ii) 0.9 of a PharmaDrug common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one common share of the Company at a price of \$0.13 until July 16, 2024, and (iii) 0.1 of a PharmaDrug common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of \$0.08 until July 16, 2024. In addition, RLH subscribed for \$200,000 of units of the Company, at a price of \$0.075 per unit, with each unit consisting of (i) one common share of PharmaDrug, and (ii) one PharmaDrug common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of \$0.08 until July 16, 2024.

Each RLH Unit consists of one common share in the capital of RLH (a "RLH Share") and one RLH Share purchase warrant (a "RLH Warrant"). Each RLH Warrant entitles the holder to purchase one additional RLH Share at an exercise price of \$0.26 at any time until July 16, 2024, subject to an accelerated expiry option. If, following the date that is four months and one day following the date hereof, the volume weighted average trading price of the RLH Shares on the Canadian Securities Exchange (the "CSE") for any 10 consecutive trading days equals or exceeds \$0.50, RLH may, upon providing written notice to the holders of RLH Warrants, accelerate the expiry date of the RLH Warrants to the date that is 30 days following the date of such written notice.

The Company intends to use the proceeds of the \$200,000 investment for working capital and general corporate purposes.

All securities of the Company issued pursuant to the above transaction are subject to a four-month hold period under applicable securities laws expiring four months and one day after the closing.

About PharmaDrug Inc.

PharmaDrug Inc. is building an international controlled substance and natural medicine company with a focus on Europe. The Company owns 80% of Pharmadrug GmbH, a German medical cannabis distributor, with a Schedule I European Union narcotics license allowing for the importation and distribution of medical cannabis to pharmacies in Germany and throughout the EU. The Company also owns 100% of Super Smart, an early-stage retail company focused on consolidating the fragmented Dutch smartshop market. Smartshops are retail establishments in The Netherlands that specialize in the sale of psychoactive substances including psychedelic truffles.

For further information, please contact:

Daniel Cohen, Chairman and CEO

dcohen@pharmadrug.co

(647) 202-1824

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This news release may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results of the Company. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances. The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulations under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful. Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein, such as, but not limited to dependence on obtaining regulatory approvals; the ability to locate additional supply of medical cannabis, owning interests in companies or projects that are engaged in activities currently considered illegal under United States federal law; changes in laws; limited operating history, reliance on management, requirements for additional financing, competition, hindering market growth; regulatory and political change. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

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