

# PharmaDrug Enters into Employment Agreements with Executive Team and Grants Stock Options and Also Provides Update on Super Smart Store Acquisition

Toronto, Ontario--(Newsfile Corp. - September 1, 2020) - PharmaDrug Inc. (CSE: BUZZ) (OTC: LMLLF) ("**PharmaDrug**" or the "**Company**") is pleased to announce that it has entered into employment agreements with Daniel Cohen, the Company's Chairman and CEO, and Harry Resin, President of PharmaDrug's wholly-owned subsidiary Interrobang Ltd. d/b/a Super Smart. The Company has also granted incentive options to its Board of Directors and Officers and issued share-based compensation to 7725434 Canada Inc. (a holding company controlled by Daniel Cohen), and Howard Brass, the Company's former chief operating officer, to settle unpaid amounts owing under previous consulting agreements. Daniel Cohen has not been earning a salary since October of 2019.

As part of the Company's long-term incentive program, and pursuant to the terms and conditions of its stock option plan, the Pharmadrug Board of Directors has approved the grant of 8,500,000 stock options to its Board of Directors, Daniel Cohen, Harry Resin and CFO Keith Li. The options expire five years from the date of grant and are exercisable at a price of \$0.05 per common share. 3,000,000 of the options vest immediately and 5,500,000 of the options vest in one third increments after 6 months, 12 months and 18 months until fully vested.

In order to settle amounts owing under management consulting agreements with 7725434 Canada Inc. and Mr. Brass, the Company has issued 1,300,000 common shares to 7725434 Canada Inc. and 500,000 common shares to Mr. Brass.

The options, shares issuable on exercise of the options and the shares issued in connection with the debt settlements are subject to a hold period expiring on January 1, 2021.

Mr. Cohen is an insider of the Company and as a result the issuance of shares constitutes a related party transaction under applicable securities laws. The issuance was completed in accordance with a consulting agreement with the Company and was approved by the independent directors of the Company. If required, the material change report will be filed less than 21 days before the closing date of the restructuring, but the Company believes that this shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible.

The Company relied upon the exemptions in sections 5.5(b) (Issuer Not Listed on Specified Markets) and 5.7(1)(a) (Fair Market Value Not More Than 25 Per Cent of Market Capitalization) of Multilateral Instrument 61-101.

## Update on Closing of Acquisition of First Store in The Netherlands

The acquisition of Super Smart's first store in Tiel was intended to close by the end of August, but has been postponed due to delays experienced by the vacation season in The Netherlands. All of the due diligence has been satisfied and most pre-conditions have been met. Management now expects the acquisition to close within the next couple of weeks and does not believe the delay should be cause for concern.

## 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.

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