

# PharmaDrug Announces Closing of the First Tranche of Non-Brokered Private Placement

Toronto, Ontario--(Newsfile Corp. - May 27, 2022) - PharmaDrug Inc. (CSE: PHRX) (OTCQB: LMLLF) ("**PharmaDrug**" or the "**Company**"), a specialty pharmaceutical company focused on the research, development and commercialization of controlled-substances and natural medicines such as psychedelics, cannabis and naturally-derived approved drugs, is pleased to announce the closing of the first tranche (the "**First Tranche**") of a non-brokered private placement (the "**Offering**") of units in the capital of the Company (the "**Units**"). Pursuant to the closing of the First Tranche, the Company issued 7,000,000 Units at a price of \$0.04 for aggregate gross proceeds of \$280,000.

Each Unit consists of one common share (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of \$0.05 for a period of 24 months from the closing of the Offering.

In connection with the closing of the First Tranche, the Company paid a finder (the "Finder") a cash commission of \$1,600 and issued an aggregate of 40,000 broker warrants ("Broker Warrants"). Each Broker Warrant entitles the Finder to purchase one Common Share of the Company at a price of \$0.04 for a period of twenty-four (24) months from the closing of the First Tranche.

PharmaDrug intends to use the net proceeds from the Offering to assist the Company in production of pharmaceutical grade cepharanthine intended to be used in Phase I and Phase II clinical trials and general working capital.

The securities issued via the Offering are subject to a statutory four month and one day hold period.

Daniel Cohen, Chairman and Chief Executive Officer of the Company (the "Interested Person") purchased or acquired direction and control over an aggregate of 1,250,000 Units under the First Tranche. The Interested Person is considered a "related party" of PharmaDrug and the sale of Units under the Offering to the Interested Person constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Interested Person will now beneficially own or control 5,246,045 Common Shares (23,255,798 Common Shares assuming conversion of all convertible debentures and securities held by the Interested Person). The "related party" portion of the Offering was exempt from the minority approval requirement of Section 5.6 and the formal valuation requirement of Section 5.4 of MI 61-101 as neither the fair market value of the "related party" portion of the Offering, nor the fair market value of the consideration of the "related party" portion of the Offering, exceeded 25% of Pharmadrugs's market capitalization. A material change report will be filed in connection with the related party participation in the Offering less than 21 days in advance of closing of the First Tranche as approval of the Offering occurred less than 21 days prior to closing. This shorter period was reasonable and necessary in the circumstances as the Company wished to complete the First Tranche in a timely manner.

## About PharmaDrug Inc.

PharmaDrug is a specialty pharmaceutical company focused on the research, development and commercialization of controlled-substances and natural medicines such as psychedelics, cannabis and naturally-derived approved drugs. PharmaDrug owns 100% of Pharmadrug Production GmbH ("Pharmadrug Production"), a German medical cannabis distributor, with a Schedule I European Union narcotics license and German EuGMP certification allowing for the importation and distribution of medical cannabis to pharmacies in Germany and throughout the European Union. PharmaDrug owns 100% Sairyo Therapeutics ("Sairyo"), a biotech company that specializes in researching and reformulating established natural medicines with a goal of bringing them through clinical trials and the associated regulatory approval process in the US and Europe. Sairyo is currently developing its

patented reformulation of cepharanthine, a drug that has shown substantial third party validated potential for the treatment of infectious disease and rare cancers. Sairyo is also conducting R&D in the psychedelics space for the treatment of non-neuropsychiatric conditions. The Company also owns 100% of Super Smart, a company building a vertically integrated retail business with the goal to elevate the use of functional mushrooms as natural based medicines.

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Caution Regarding Forward-Looking Information:

THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED NOR DOES IT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

*This press release contains "forward-looking information" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to the use of proceeds of the Offering. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to the ability of the Company to successfully execute on its plans for the Company and its affiliated entities; the ability to obtain required regulatory approvals and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.*

*Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the ability to obtain and maintain required permits and approvals, the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions; and a deterioration of financial markets that could limit the Company's ability to obtain external financing.*

*A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance*

*on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.*

*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.*

*Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.*



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