

Pharmadrug Announces Closing of Sale of German Cannabis Assets

Toronto, Ontario--(Newsfile Corp. - August 3, 2022) - PharmaDrug Inc. (CSE: PHRX) (OTCQB: LMLLF) ("**Pharmadrug**" or the "**Company**"), is pleased to announce that it has closed the previously announced (see press release dated May 31, 2022) sale of all of the issued and outstanding securities of Pharmadrug Production GmbH ("**Pharmadrug GmbH**") to Khiron Life Sciences Corp. (TSXV: KHRN) ("**Khiron**"). Pharmadrug GmbH, is 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.

Pursuant to the terms of the transaction, in consideration for the acquisition of all of the issued and outstanding shares of Pharmadrug GmbH, Khiron issued to Pharmadrug 5,500,000 common shares of the Company (at a deemed price of \$0.16 per share) and an additional 468,750 common shares in connection with certain closing adjustments for a total of 5,968,750 common shares, as well as a non-interest bearing promissory note that was adjusted downward pursuant to certain closing adjustments to an aggregate principal amount of \$974,137. The promissory note is payable one year from the date of issue in cash or, at Khiron's option, by the issuance of additional Khiron shares. Any issuance of Khiron shares on conversion of the promissory note will be subject to the prior approval of the TSX Venture Exchange.

A total of 5,000,000 Khiron shares issued in connection with the closing are subject to a lockup agreement, pursuant to which Pharmadrug may not transfer such shares without Khiron's consent, with a quarter of the total number of shares subject to lock-up being released every 90 days following the closing date (with all such shares being released 360 days following the closing date).

Streamlined Biotech Focus

With the sale of the German asset now complete, PharmaDrug is one step closer to streamlining its focus into a pure play biotech company. The company is continuing to advance PD-001, its patented version of cepharanthine, towards potential FDA clinical trials on both the oncology and antiviral fronts. Management will update investors with the progress and advancements made for both indications in the coming weeks.

The Company also continues to advance its psychedelic biotech program for the treatment primary open angle glaucoma (POAG). PharmaDrug's DMT-analogue research program aimed to elect a drug development lead based on biological potency and toxicity and to use its development lead to engineer a medical device capable of sustained drug delivery to the front of the eye. The Company announced in a press release dated May 03, 2022 that it selected its lead candidate and had completed fabrication and initial testing of its prototype medical device designed to locally deliver therapeutic quantities of its DMT-analogue to glaucoma patients. Management is currently taking steps towards filing a provisional patent and will be moving to the next phase of development in the coming months.

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 Sairoyo Therapeutics Inc. ("**Sairoyo**"), 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. Sairoyo is currently developing its patented reformulation of cepharanthine, a drug that has shown substantial third party validated potential for the treatment of Covid-19 and rare cancers. Sairoyo 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 development of the business. 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 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. 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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