

PharmaDrug Announces Termination of General Security Agreement and Issuance of Common Shares

Toronto, Ontario--(Newsfile Corp. - July 5, 2023) - PharmaDrug Inc. (CSE: PHRX) (OTCQB: LMLLF) ("**PharmaDrug**" or the "**Company**"), announced today that it has reached an agreement with the holders of \$650,000 principal amount of the Company's convertible debentures to terminate a general security agreement granted by the Company's wholly-owned subsidiary Sairiyo Therapeutics Inc. ("**Sairiyo**"). As consideration for agreeing to terminate the general security agreement the Company has agreed to issue an aggregate of 5,000,000 common shares in the capital of the Company to the debt holders. The termination of this general security agreement is being completed in conjunction with a proposed strategic investment by an arm's length third party in Sairiyo. Definitive documentation regarding the strategic investment has not yet been entered into and there is no guarantee that such investment will occur. The Company will provide further disclosure regarding the proposed strategic investment once all agreements in respect thereof have been finalized.

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 and previously approved drugs. PharmaDrug owns 100% of Sairiyo Therapeutics ("Sairiyo"), 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. Sairiyo is currently developing its patented reformulation of cepharanthine, a drug that has shown substantial third party validated potential for the treatment of infectious disease (including Covid-19) and rare cancers. Sairiyo is also conducting R&D in the psychedelics space for the treatment of non-neuropsychiatric conditions.

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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 closing of a strategic investment by an arm's length third party in Sairiyo Therapeutics Inc. and the Company's business plans. 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 reach an agreement on the terms of the investment, 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 and the ability of the Company to complete all required audit processes in a timely fashion.

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: the ability to enter into definitive agreements with the proposed strategic investor, 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.

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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