

PharmaDrug Inc. Enters Definitive Agreement to Acquire SecureDose Synthetics

Toronto, Ontario--(Newsfile Corp. - October 27, 2023) - PharmaDrug Inc. (CSE: PHRX) (OTC Pink: LMLLD) ("**PharmaDrug**" or the "**Company**"), is pleased to announce that it has entered into a definitive agreement (the "**Acquisition Agreement**") dated October 27, 2023 pursuant to which PharmaDrug will acquire all of the issued and outstanding shares of privately-held Securedose Synthetics Inc. ("**SecureDose**"), to be effected by way of a three-cornered amalgamation between Pharmadrug, SecureDose and a wholly-owned subsidiary of PharmaDrug (the "**Proposed Transaction**"). Following completion of the Proposed Transaction SecureDose will become a wholly-owned subsidiary of PharmaDrug. It is anticipated that the Proposed Transaction will be completed in early November, 2023. The Proposed Transaction is an arm's length transaction.

About SecureDose

SecureDose is a private Pharmaceutical Research and Development company focused on the development of synthetic formulations of currently existing drugs for potential commercialization and distribution. SecureDose currently has \$750,000 CAD in cash and no debt outstanding. The Company decided to acquire SecureDose in order to complement its current focus by adding the capability to develop its own formulations that could potentially reach commercialization in a shorter time frame than traditional full cycle biotech programs.

Robert Steen, CEO and Chairman of PharmaDrug commented, "We are extremely excited to sign the agreement to acquire SecureDose. With the cepharanthine program now back in full swing, the Company believed it made sense to acquire a company whose core competency is the development of synthetic formulations. This could give PharmaDrug the capability to develop formulations of existing drugs that don't necessarily require separate efficacy studies and potentially provide commercialization and revenue opportunities in a much shorter time frame."

Terms of the Agreement

Pursuant to the terms of the Acquisition Agreement, each issued and outstanding share of SecureDose (a "**SecureDose Share**") will be exchanged for one common share in the capital of the Company (a "**PharmaDrug Share**"). It is expected that at the time of the closing of the Proposed Transaction, SecureDose will have 31,500,000 SecureDose Shares issued and outstanding together with 7,500,000 common share purchase warrants ("**SecureDose Warrants**") and 525,100 finder warrants (the "Finder Warrants").

The SecureDose Warrants will entitle the holders thereof to acquire one SecureDose Share at a price of \$0.10 at any time on or before the September 22, 2025 and the Finder Warrants will entitle the holder thereof to acquire one SecureDose Share at a price of \$0.10 at any time on or before September 22, 2025 and (ii). Each SecureDose Warrant and Finder Warrant will, following completion of the Proposed Transaction, entitle the holder thereof to acquire PharmaDrug Shares in place of SecureDose Shares.

Prior to the completion of the Proposed Transaction Pharmadrug will have 51,383,487 PharmaDrug Shares outstanding and after the completion of the Proposed Transaction it will have 82,883,487 PharmaDrug Shares outstanding. Following completion of the Proposed Transaction the security holders of SecureDose immediately preceding the Proposed Transaction will hold approximately 38% of the outstanding PharmaDrug Shares (43% on a partially diluted basis, giving effect to the conversion of the SecureDose Warrants and Finder Warrants). The Proposed Transaction will not result in a change of control of Pharmadrug.

It is expected that all PharmaDrug Shares (including PharmaDrug Shares issued upon conversion of

SecureDose Warrants and the Finder Warrants) issued pursuant to the Proposed Transaction, except those issued to U.S. persons, will be freely tradable under applicable Canadian securities legislation.

The Acquisition Agreement contains representations, warranties, covenants and conditions typical for a transaction of this nature. The Proposed Transaction is subject to, among other things, receipt of all applicable shareholder and regulatory approvals, the final approval of the Canadian Securities Exchange and the satisfaction of customary closing conditions, including the conditions described below.

A copy of the Acquisition Agreement will be filed by PharmaDrug with the Canadian securities regulators and will be available for viewing on the Company's profile on SEDAR+ at www.sedarplus.ca. A description of the Acquisition Agreement will also be set forth in the material change report to be filed on SEDAR.

Conditions to the Proposed Transaction

Completion of the Proposed Transaction is subject to certain conditions precedent including, among other things:

- the receipt of all required approvals by the respective boards of directors of PharmaDrug and SecureDose (approval of PharmaDrug shareholders will not be required);
- the receipt of approval of the Proposed Transaction by shareholders of SecureDose;
- the receipt of all required consents, approvals and authorizations of any regulatory authorities, including, without limitation, the Canadian Securities Exchange;
- each of the parties shall have complied with each of its obligations, covenants and agreements in the Acquisition Agreement;
- there shall be no material adverse effect with respect to either of PharmaDrug or SecureDose;
- the receipt of all required consents and approvals of third parties.

Management and Board of Directors

The Company does not anticipate reconstituting its Board of Directors in connection with the Proposed Transaction nor will there be any changes to the Chief Executive Officer or Chief Financial Officer. Together, the CEO and CFO will continue to oversee general corporate activity as well as the integration of SecureDose into the combined corporate strategy.

Unrelated to the Proposed Transaction, Al Quong has resigned as a director of PharmaDrug effective immediately to pursue other ventures. We thank him for his past contribution to PharmaDrug and wish him well with all his future endeavours. Paul McClory will replace Mr. Quong as the Chair of the Company's audit committee and Nikolai Vassev will join the audit committee.

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 51% 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 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. Forward looking statements in this press release relate to the potential to complete the Proposed Transaction and the timing thereof, the integration of the Securedose business, the ability to achieve the anticipated benefits of the Proposed Transaction and the development of the Company's business. 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.

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..

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.sedarplus.ca. 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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