

PharmaDrug Inc. Closes Acquisition of Securedose Synthetics

Toronto, Ontario--(Newsfile Corp. - November 7, 2023) - PharmaDrug Inc. (CSE: PHRX) (OTC Pink: LMLLD) ("**PharmaDrug**" or the "**Company**"), is pleased to announce that it has closed the previously announced acquisition (see press release dated October 27, 2023) of Securedose Synthetics Inc. ("**SecureDose**"). PharmaDrug acquired all of the issued and outstanding shares of SecureDose by way of a three-cornered amalgamation between Pharmadrug, SecureDose and a wholly-owned subsidiary of PharmaDrug (the "**Transaction**"). Following completion of the Transaction SecureDose became a wholly-owned subsidiary of PharmaDrug. The Transaction was an arm's length transaction for the purposes of applicable securities laws.

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. On closing SecureDose had \$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 close on the SecureDose acquisition. Our priority will be to continue SecureDose's strategy to develop synthetic formulations for the potential third wave of drug policy reform. With some formulations already in hand, the Company will now focus on developing an economic and scalable process of these synthetic formulations which could lead to both intellectual property and commercialization opportunities as markets possibly open up domestically or internationally."

Terms of the Transaction

Pursuant to the terms of the Transaction, each issued and outstanding share of SecureDose (a "**SecureDose Share**") was exchanged for one common share in the capital of the Company (a "**PharmaDrug Share**") resulting in the issuance of 31,500,000 PharmaDrug Shares. In addition, SecureDose had 7,500,000 common share purchase warrants and 525,100 finder warrants outstanding that were replaced with PharmaDrug warrants ("**PharmaDrug Warrants**") and PharmaDrug finder warrants ("**PharmaDrug Finder Warrants**").

The PharmaDrug Warrants entitle the holders thereof to acquire one PharmaDrug Share at a price of \$0.10 at any time on or before the September 22, 2025 and the PharmadDrug Finder Warrants entitle the holder thereof to acquire one PharmaDrug Share at a price of \$0.10 at any time on or before September 22, 2025.

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

All PharmaDrug Shares (including PharmaDrug Shares issued upon conversion of PharmaDrug Warrants and the PharmaDrug Finder Warrants) issued pursuant to the Transaction, except those issued to U.S. persons, are freely tradable under applicable Canadian securities legislation.

Management and Board of Directors

The Company does not anticipate reconstituting its Board of Directors in connection with the 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.

Debt Restructuring, Debt Settlement, Debenture Amendment and Warrant Amendment

The Company also announced today that it has reached an agreement with the holders of its \$609,000 principal amount of secured convertible debentures to amend the conversion price of such debentures to \$0.05 (from \$0.35). The 2,142,856 common share purchase warrants issued to such holders will also be amended such that their exercise prices will be \$0.05 (reduced from \$0.35) and, subject to receipt of applicable regulatory approval the number of warrants will be increased to 15,000,000, the number that were outstanding prior to the Company's 7 for 1 consolidation that became effective on October 24, 2023.

The Company has also agreed with the holders of its unsecured convertible debentures that matured without payment earlier this year to restructure such indebtedness. Pursuant to the terms of the restructuring the outstanding \$1,219,768 of indebtedness will be exchanged for new unsecured convertible debentures with an aggregate principal amount of \$1,280,756. The debentures will mature one year from the date of issuance. The Company may extend the maturity date up to two times for one year extensions each time. If such option to extend is exercised then at the extension time the principal of the debenture will be increased to reflect both any accrued and unpaid interest as well as a 5% renewal fee. The debentures will bear interest at a rate of 12% per annum payable quarterly. If the interest is not paid when due then interest will be charged on such outstanding interest at a rate of 15% per annum. The debentures may be converted into units ("**Units**") at a price of \$0.05 per Unit with each Unit being comprised of one common share in the capital of the Company and one common share purchase warrant with each such warrant entitling the holder to acquire one common share in the capital of the Company at a price of \$0.05 per share at any time on or before the three year anniversary of the issuance of the debentures. The conversion feature will not be exercisable by the holder if it would take their holdings of the Company above 10% of the outstanding common shares of the Company. The debentures and underlying securities will be subject to a hold period that will expire four months and one day from the date of issuance of the debentures.

Finally, the Company has agreed to settle \$227,658.03 of indebtedness with certain service providers through the issuance of an aggregate of 4,553,160 common shares at a deemed issue price of \$0.05. The common shares will be subject to a hold period that will expire four months and one day from the date of issuance.

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 integration of the SecureDose business, the ability achieve the anticipated benefits of the 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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