

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Pharmadrug Inc. (the "Issuer").

Trading Symbol: BUZZ

Number of Outstanding Listed Securities: 83,302,274

Date: May 31, 2020

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On May 20, 2020, Pharmadrug announced that it has entered into a non-binding letter of intent (the "LOI") with Interrobang Ltd. ("Interrobang") doing business as Super Smart (herein referred to as "Super Smart") which outlines the general terms and conditions of a proposed transaction that will result in Pharmadrug acquiring all of the issued and outstanding common shares and other securities of Super Smart (see Question #5 for more details).

On May 25, 2020, Pharmadrug announced that it has entered into a definitive agreement (the "Acquisition Agreement") pursuant to which Pharmadrug will acquire all of the issued and outstanding shares of Interrobang, to be effected by way of a three-cornered amalgamation between Pharmadrug, Super Smart and a wholly-owned subsidiary of Pharmadrug (the "Proposed Transaction"). Following completion of the Proposed Transaction, Super Smart will become a wholly-owned subsidiary of Pharmadrug. It is anticipated that the Proposed Transaction will be completed in early June 2020 (see Question #5 for more details).

On May 25, 2020, Pharmadrug also announced the resignation of Howard Brass as the Chief Operating Officer of the Company with immediate effect.

On May 25, 2020, Pharmadrug issued a non-interest bearing unsecured promissory note to Super Smart pursuant to which Super Smart will loan the Company \$80,000 payable on August 25, 2020. The proceeds from the promissory note will be used for working capital purposes.

On May 29, 2020, Pharmadrug released an overview of their plans to enter the European psilocybin marketplace via the pending closing of the acquisition of Super Smart. The Company intends to utilize a unique two-prong approach,

capitalizing on markets in The Netherlands through “smart shop” consolidation and the entire European Union (the “EU”) by way of Pharmadrug’s controlled substance importation and distribution license.

2. Provide a general overview and discussion of the activities of management.

As Pharmadrug continues to develop business in Germany, management believes that the Company will see significant growth in 2020. A new sales team was recently put in place that began to execute on a new strategic plan. The Company expects to continue to grow its Bedrocan business and the number of pharmacies in its distribution network significantly over the next six months. Pharmadrug signed two major supply agreements in the fall of 2019, which will supply Pharmadrug Production with medical cannabis under its own brand ‘Cannabion.’

Management is actively working towards securing two other major types of supply. Firstly, it is in discussions with a current importer to negotiate an opportunity to resell their product in the same manner it is currently selling the Bedrocan product. It is also in major discussions with two Danish companies that are looking to ramp cultivation in the near term. This product can be imported into Germany under Pharmadrug’s brand. Management believes Danish product should begin arriving into Germany by Q3 2020. Pharmadrug is aiming to be one of the first importers of Danish product.

Given the current retail environment, Pharmadrug has decided to hold off on its CannabiSendak investment. Management will decide in the short term whether this decision is indefinite.

In May 2020, Pharmadrug entered into the Acquisition Agreement with Super Smart in regard to the Proposed Transaction. Using the Netherlands as the initial geographic focus, the Company will establish a business that is firmly driven by retail revenue. Super Smart will look to acquire shops spread out across the country, sharing the focus on both the tourist consumer and also local residents. This means establishing shops in more populous urban centers like Amsterdam and Rotterdam, but also spreading to border towns that attract customers from various geographic locations. Cities with big student populations are also important to Super Smart’s retail positioning and strategy. Branding and unity will be key as this will allow Super Smart to create a unified story that brings together all retail locations and patrons, creating a community and imbuing a sense of brand loyalty into customers. Consolidation will increase margins by negotiating better discounts on inventory at larger volumes. By eventually adding an online component through a digital marketplace, Super Smart will look to further increase its customer base and grow revenues. Pharmadrug will use the model to eventually expand into other countries and regions as they legalize.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Pharmadrug plans to grow its distribution platform beyond Germany into other EU countries. Pharmadrug Production GmbH, its German subsidiary, is a Schedule I Narcotics distributor which allows the German business to export GMP medical cannabis to other EU countries as and when those countries legalize cannabis. The latest supply agreements with Canada House Wellness Group Inc. and My Green Fields will allow Pharmadrug to provide its German distribution base with additional supply under its own Cannabion brand in a market that remains short in supply. It will also provide access to oils and extracts to serve German pharmacies as well as to other markets in the Eurozone. The Company has recently expanded its sales efforts in effort to enable broader distribution.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None noted.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On May 20, 2020, Pharmadrug entered into a non-binding LOI with Super Smart, an early-stage retail company focused on consolidating the fragmented Dutch smartshop market. Smartshops are retail establishments in the Netherlands that specialize in the sale of psychoactive substances including psychedelic truffles, which are an underground grown version of magic mushrooms that have psilocybin and are legal in The Netherlands.

On May 25, 2020, Pharmadrug entered into the Acquisition Agreement to acquire all of the issued and outstanding shares of Interrobang, to be effected by way of a three-cornered amalgamation between Pharmadrug, Super Smart and a wholly-owned subsidiary of Pharmadrug. The Company views the Proposed Transaction as a complementary acquisition of a proposed business which it anticipates will be synergistic with its existing European cannabis distributions business. Pursuant to the terms of the Acquisition Agreement, each issued and outstanding share of Super Smart will be exchanged for one common share in the capital of the Company.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None noted.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None noted.

8. Describe the acquisition of new customers or loss of customers.

None noted.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None noted.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None noted.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None noted.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None noted.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None noted.

14. Provide details of any securities issued and options or warrants granted.
There were no new securities issued by the Company during the month, including grants of options and warrants.

15. Provide details of any loans to or by Related Persons.
On May 25, 2020, Pharmadrug issued a non-interest bearing unsecured promissory note to Super Smart pursuant to which Super Smart will loan the Company \$80,000 payable on August 25, 2020. The proceeds from the promissory note will be used for working capital purposes.

16. Provide details of any changes in directors, officers or committee members.
On May 25, 2020, Howard Brass had resigned as the Chief Operating Officer of the Company.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

For more information related to certain risks and uncertainties that are inherent to the Company's industry, please refer to the "Risk Factors" section of the Management's Discussion and Analysis filed quarterly on SEDAR.

In addition, on January 30, 2020, the World Health Organization declared that the recent COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged in the last couple of months. Companies across various industries could be impacted materially by the coronavirus.

COVID-19's known and unknown impact on earnings, costs, employees, supply chains, customers and other stakeholders, as well as other business matters, may be material for the Issuer, and may have a material impact on the Issuer's gross earnings, net earnings and other business matters. Environmental, social and governance factors may also impact the Issuer's operations in the near future.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 1, 2020.

Daniel Cohen
Name of Director or Senior Officer

"Daniel Cohen"
Signature
Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Pharmadrug Inc. (formerly Aura Health Inc.)	For Month End May 31, 2020	Date of Report YY/MM/DD 20/06/01
Issuer Address 77 King Street West, Suite 2905		
City/Province/Postal Code Toronto/ Ontario/ M5K 1H1	Issuer Fax No. ()	Issuer Telephone No. (647) 202-1824
Contact Name Keith Li	Contact Position CFO	Contact Telephone No. (647) 660-8703
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