

FORM 7

MONTHLY PROGRESS REPORT

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

TradingSymbol: BUZZ

Number of Outstanding Listed Securities: 196,605,378

Date: September 30, 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 September 21, 2020, Pharmadrug Inc. ("Pharmadrug" or the "Company") closed the previously announced transaction that its wholly-owned subsidiary Interrobang Ltd. ("Interrobang"), d/b/a Super Smart, has entered into a definitive agreement to acquire a retail establishment specializing in the sale of psychedelic products hereinafter known as the Target Smart Shop located in the town of Tiel, central Netherlands. The Company has taken effective control as of October 1, 2020 after co-managing the store for ten days with previous owner. Super Smart, after taking control of its first store is focusing to improve the current opinion regarding psychedelics amongst the Dutch population by education, micro dosing products and a broader introduction of functional mushrooms.

Additionally, Super Smart is waiting to see the impact of the Covid pandemic on their sales to help determine the appropriate price for other acquisitions and is still involved in active discussions with three additional smart shop owners in the Netherlands. Also, the Company has initiated discussions with industry veterans to consider open new stores instead of acquiring the existing ones.

On September 28, 2020, the Company has entered into a distribution agreement with Red Light Holland Corp. ("RLH") for RLH's iMicrodose Packs, which are expected to be available in Super Smart's Tiel location in early October 2020. RLH has also agreed to build and set up an iMicrodose Media Information Centre ("iMIC") in the Tiel location (see Question #5 for more details).

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 and 2021. 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 has three major supply agreements, which will supply Pharmadrug Production GmbH (“Pharmadrug GmbH”) 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 in Israel. Management will decide in the short term whether this decision is indefinite.

In June 2020, Pharmadrug completed the Acquisition of Interrobang d/b/a Super Smart. 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 GmbH, its German subsidiary, is a Schedule I Narcotics distributor which allows the German business to export GMP medical cannabis to other European Union countries as and when those countries legalize cannabis. The latest supply agreements with Canada House Wellness Group Inc., My Green Fields Ltd. and Natural MedCo Ltd. 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.

The Company has entered into distribution agreement with RLH which has agreed to build and set up an iMIC in Super Smart's Tiel location with the purpose on educating, informing and modernizing the psychedelic industry within the Netherlands.

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.

The Company has entered into employment agreements with Daniel Cohen, the Company's Chairman and Chief Executive Officer, and Harry Resin, President of Super Smart.

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.

None noted.

15. Provide details of any loans to or by Related Persons.

None noted.

16. Provide details of any changes in directors, officers or committee members.

None noted.

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 October 6, 2020.

Daniel Cohen
Name of Director or Senior Officer

"Daniel Cohen"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Pharmadrug Inc.	For Month End September 30, 2020	Date of Report YY/MM/DD 20/10/06
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
Contact Email Address kli@bransonservices.com	Web Site Address www.pharmadrug.co	