FORM 7

MONTHLY PROGRESS REPORT

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

TradingSymbol: BUZZ

Number of Outstanding Listed Securities: 335,826,383

Date: February 28, 2021

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 February 2, 2021, Pharmadrug Inc. ("Pharmadrug", "We" or the "Company") announced that it had completed the previously announced acquisition of Sairiyo Therapeutics Inc. ("Sairiyo") (see more details on Question #7).

   On February 4, 2021, Pharmadrug announced that it had has entered into a supply agreement (the "Supply Agreement") on January 4, 2021, with a Canadian based multinational cannabis company for EU-GMP certified medical cannabis. The supply is already registered and approved for sale in the German market (see more details on Question #5).

   On February 4, 2021, Pharmadrug also granted 5,200,000 stock options to various directors, officers and consultants to purchase 5,200,000 common shares of the Company, exercisable at $0.085 per share at any time on or before February 4, 2026.

   On February 8, 2021, Pharmadrug announced that it has appointed world-renowned chemist and neuroscientist Dr. Steven A. Barker, Ph.D. to the Company's newly-formed scientific advisory board for psychedelic pharmaceuticals to lead the research and development initiatives of N,N-Dimethyltryptamine ("DMT") for mental health, neurological and inflammatory disorders.

   On February 14, 2021, Pharmadrug announced it has filed an application with the U.S. Food and Drug Administration ("FDA") to receive Orphan Drug Designation ("ODD") for DMT in the treatment of acute ischemic stroke patients presenting for emergency medical assistance within 3-hours of symptom onset.

   On February 25, 2021, Pharmadrug announced it has expanded its psychedelic pharmaceutical program with the filing of an application with the FDA to receive ODD for DMT in the prevention of ischemia reperfusion injury in patients undergoing kidney transplantation.

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

Pharmadrug is building a European controlled substances company with a focus on medical cannabis and psychedelics:

In the medical cannabis side of business, the Company currently sources and wholesales products to pharmacies in Germany with a strategy to launch and develop its own brand of cannabis for distribution in Germany and other legal jurisdictions in the European Union ("EU"); and

In the psychedelics domain, the Company intends to utilize a unique two-pronged approach: (i) the first approach will be to capitalize on markets in the Netherlands through consolidation of legalized adult-use psychedelic dispensaries; (ii) secondly, as products get developed and achieve regulatory approval or get legalized in jurisdictions across the Eurozone, the Company will seek to utilize its controlled substance import and distribution license to establish a pharmaceutical psychedelic business.

Medical Cannabis:

As Pharmadrug continues to develop business in Germany, management believes that the Company is on track see significant growth in 2021. The Company has grown its Bedrocan business, and the number of pharmacies in its distribution network had more than tripled to over 300. However, as Bedrocan's supply is becoming increasingly limited, it has served as an impediment to growth. While demand currently outstrips supply. The Company believes it already has enough of a distribution network to achieve profitability, but needs to secure more sources to satisfy demand.

In order to address short-term needs for additional supply, the Company had decided to secure a second wholesale source of cannabis directly from another LP for products under their brand. While negotiations with the first LP ended without an agreement, the Company is now in talks with another major North American LP and is optimistic it can secure an agreement soon. The Company has also been working on sourcing product from within the Eurozone. Management was in advanced discussions with two emerging LPs operating out of Denmark, but is still trying to determine if they can produce the type of end product that suits the Company's needs. The Company is also in advanced discussions with producers in both Spain and Portugal, and is hopeful it can source product from one of those countries in the short term.

In order to take advantage of the Company's full narcotics license and capabilities, management is actively sourcing products to distribute outside of the cannabis space. We believe our growing pharmacy network would be underutilized by merely focusing on cannabis and the path to significant growth and profitability would be more easily achieved with a broadened product offering. We will make certain to only take on product lines that compliment a cannabis offering. We have already began discussions with suppliers within Europe and have been consulting with pharmacies in our network to ascertain which products they believe could support a new supply source.

Psychedelics:

The Company intends to utilize a unique two-prong approach. The first, with Super Smart, will be to capitalize on markets in the Netherlands through the development of an adult-use Smart Shop brand, brick and mortar chain and an online retail platform. Secondly, in Germany and across the Eurozone, the Company will seek to use Pharmadrug GmbH's controlled substance import and distribution license to build a pharmaceutical psychedelics business as jurisdictions in the EU legalize psychedelics and pharmaceutical psychedelics pass through clinical testing. Pharmadrug GmbH recently passed its EuGMP inspection and has secured its certification for another three years. This gives the Company the ability to third party source narcotics and package them under its own brand.

Super Smart took effective control of its first smart shop on October 1, 2020. The Smart Shop is located in the Town of Tiel, a municipality in central Netherlands, and will serve as an initial platform for Super Smart to build out and refine its new smart shop vision and a springboard to develop its brand and operations. Over the past few months, Super Smart has laid much of the groundwork needed to purchase the first store and as such began developing the organizational structure that will enable the company to make several more purchases and scale up more efficiently. The work includes hiring a country manager, setting up corporate structures, template legal contracts, financial controls and bank accounts.

For several strategic reasons, the Company entered into the RLH Share Exchange with RLH. The two companies recognize the complimentary nature of their respective business models in the Dutch psychedelic market and will seek to collaborate on strategic initiatives. RLH's strategy to be a premier grower of psychedelic truffles with microdose packaging fits well with Super Smart's vision of elevating the Smart Store experience by introducing new products and an educational approach. Together, the two companies plan to develop and foster a new market segment that seeks to use psilocybin to either attempt to potentially treat medical conditions holistically or to increase cognitive performance. On a combined basis, we can better execute on educating the market and increasing the profile of psychedelics and psilocybin in the Netherlands at first followed by other markets as they legalize.

With the acquisition of Sairiyo, management had also moved to integrate Sairiyo with a goal to refine its Cepharanthine strategy including, but not exclusively, advancing the drug into FDA clinical trials for esophageal cancer. Management will also actively seek other avenues for the drug's diverse opportunities. Pharmadrug and Sairiyo had already begun to develop a strategy to commence unique and value adding research in the psychedelic space.

Following the acquisition of Sairiyo and its biotech R&D core competencies, Pharmadrug has undertaken efforts to expand its research activities in the pharmaceutical psychedelics space. The Company's psychedelic pharmaceutical strategy will focus specifically on DMT. Through engagement with respected academics and medical/clinical KOLs in the space, management will

initiate pivotal preclinical and clinical development activities. Taking advantage of existing expertise and relationships, Pharmadrug will seek to broaden its intellectual property portfolio by creating unique DMT formulations. Further differentiation in the space will be derived from the work that Pharmadrug will initiate around novel uses for DMT; the ultimate goal of which is to fuse outstanding science and clinical translation.

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 securitieslaw.

   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 EU countries as and when those countries legalize cannabis.The latest supply agreements with Canada House Wellness Group Inc., My Green Fields Ltd. and NMC 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 February 4, 2021, Pharmadrug announced that it had has entered into the Supply Agreement on January 4, 2021, with a Canadian based multinational cannabis company for EU-GMP certified medical cannabis. Pursuant to the Supply Agreement, the Company's licensed German distributor, Pharmadrug Production GmbH ("Pharmadrug Production") will purchase branded medical cannabis from the supplier's German subsidiary. Pharmadrug Production has already received regulatory approval to distribute the cannabis and the product has been added to their license. The flower will be imported into Germany by the global supplier and sold under the supplier's medical cannabis brand. The Company expects to begin receiving shipments of cannabis shortly with the goal of commencing distribution to its pharmacy network in the current quarter of 2021. In anticipation of increased inventory, the Company will be expanding

the sales and marketing operations within its German cannabis distribution segment.

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.

   On February 2, 2021, Pharmadrug completed the acquisition of Sairiyo. Sairiyo is a biotechnology company focused on repurposing and developing improved formulations of naturally derived compounds for serious, rare, and life-threatening diseases with the aim to obtain European Medicines Evaluation Agency and FDA approval. Sairiyo is advancing the clinical development of its lead drug candidate, Cepharanthine, a repurposed and reformulated naturally-derived compound for the potential treatment of cancer, neurological, inflammatory and infectious diseases. Cepharanthine is a natural product and an approved drug used for more than 70 years in Japan to treat a variety of acute and chronic diseases. In clinical research, Cepharanthine exhibits multiple pharmacological properties including anti-oxidative, anti-inflammatory, immuno-regulatory, anti-cancer, anti-viral and anti-parasitic properties. Sairiyo has an exclusive license from a research and development organization to develop and commercialize reformulated Cepharanthine for all diseases and exclusive rights to the patent, method of manufacturing, clinical supply, pre-clinical data and knowhow to support FDA clinical trials. Sairiyo is currently focused on advancing the clinical development of Cepharanthine to treat rare cancer diseases. Sairiyo recently received FDA orphan drug designation for Cepharanthine in the treatment of esophageal cancer.

   Under the terms of the agreement, PharmaDrug acquired all of the issued and outstanding shares of Sairiyo in consideration for the issuance of an aggregate of 75,000,000 units of Pharmadrug ("Units"). Each Unit is comprised of one common share of Pharmadrug and one common share purchase warrant (a "Warrant") of Pharmadrug. Each Warrant entitles the holder thereof to acquire one common share in the capital of Pharmadrug at any time on or before the August 2, 2022 at an exercise price of $0.10 per share.

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.

Security	**Number Issued**	**Details of Issuance**	**Use of Proceeds** [(1)]
Common shares	75,000,000	Issuance on acquisition of Sairiyo	N/A
Warrants	75,000,000	Warrants attached to units issued on acquisition of Sairiyo	N/A
Common shares	1,200,000	Issuance on conversion of debentures into units (1 share and ½ warrant).	N/A
Warrants	600,000	Issuance on conversion of debentures into units (1 share and ½ warrant).	N/A

Common shares	8,125,000	Issuance on exercises of warrants	$40,625
Stock options	5,200,000	Grant of stock options	N/A
Common shares	850,000	Issuance on exercises of options	$72,250
Common shares	1,088,400	Issuance on exercises of broker options	$54,420
Underlying warrants	422,000	Issuance on exercises of broker options	N/A

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 March 2, 2021.

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 February 28, 2021	Date of Report YY/MM/DD 21/03/02
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	