FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BUZZ

Number of Outstanding Listed Securities: 340,316,383

Date: May 6, 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 May 6, 2021, Pharmadrug Inc. ("Pharmadrug", "We" or the "Company") announced that pleased to announce that it has entered into a service agreement with a respected contract research organization with deep expertise in preclinical oncology model development and drug testing, to evaluate the Company's patented entericcoated formulation of Cepharanthine ("PD-001") in a broad panel of human cancers. The Company's current study, which will examine the anti-cancer properties of PD-001 in a large panel of solid and liquid cancer cell types, will be conducted under study conditions that will facilitate valid head-to-head comparisons of relative drug potency. A planned follow up study will use data generated from the first study to examine the benefit of PD-001 alone (monotherapy) or when combined with relevant first and second-line chemotherapy drugs.

   On May 12, 2021, the Company entered into an employment agreement with Dr. Paul Van Slyke and promoted him to Chief Scientific Officer ("CSO") for Pharmadrug.

   On May 14, 2021, the Company announced that it has entered into a supply agreement (the "Supply Agreement") with an emerging Eurozone cannabis extractor for medical grade THC oil to be sold under Pharmadrug's own brand (see Question #5 for more details).

   On May 17, 2021, the Company announced that its Super Smart division has launched a Slim Winkel branded online retail platform in the United States (the "U.S.") that will focus on functional mushrooms.

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

   Pharmadrug is a specialty pharmaceutical company focused on the research, development and commercialization of controlled-substances and natural medicines such as psychedelics, cannabis and naturally-derived approved

drugs. The Company owns 80% of Pharmadrug Production GmbH ("Pharmadrug Production"), a German medical cannabis distributor, with a Schedule I European Union narcotics license and German EuGMP certification allowing for the importation and distribution of medical cannabis to pharmacies in Germany and throughout the European Union. The Company also owns 100% of Super Smart, a Dutch company building a modern adult use psychedelic retail business with an elevated and educational focus. Pharmadrug recently acquired Sairiyo Therapeutics ("Sairiyo"), a biotech company that specializes in researching and reformulating established natural medicines with a goal of bringing them through regulatory and research driven clinical trials.

Medical Cannabis:

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

In order to address the short-term needs for additional supply, the Company previously decided to secure a second wholesale source of cannabis directly from another Licensed Producer ("LP") for products under their brand. The Company has signed a supply agreement with the German subsidiary of a Canadian-based Global LP. The first shipment was received in the first quarter of 2021 and deliveries to the pharmacy network have already begun. Pharmadrug has also received regulatory approval to distribute THC oil from the same LP. The Company expects to receive first shipments of that oil before the end of the second quarter.

The real opportunity for growth will be the launch of cannabis products under Pharmadrug's own brand. On May 14, 2021, the Company announced the signing of a supply agreement with an emerging Eurozone cannabis extractor for medical grade THC oil to be sold under our own brand. The cannabis extractor recently had its EuGMP inspection from their local regulator with no noted major deficiencies. The Company expects them to receive their certification in this current quarter. Pharmadrug GmBH has already performed an initial inspection, but will perform a final inspection in June to satisfy the Company's own GMP supply chain requirements. The Company has already finalized the final specs of the product with the extractor and expects to register the product with German authorities in July. Pharmadrug expects initial shipments and sales to begin in September of this year. The Company plans to have a twofold strategy for the Pharmadrug THC oil. Firstly, it will supply local German cannabis wholesalers while also selling directly to the Company's own pharmacy distribution network. Management is also in advanced discussions with an LP from the Iberian Peninsula for white label flower. While Pharmadrug is still working closely with Eve & Co Incorporated, it has experienced delays in receiving the technical

data needed to register the specific strains the company wants for the German market.

Pharmadrug is on track to significantly increase its product offering in 2021 by increasing the volume of supply and introducing new lines. By the end of 2021, the Company plans to have three lines of third-party cannabis products as well as both THC oil and flower under its own brand. In order to prepare for the increase in supply, the Company has started to expand its sales force. A new senior sales manager with over 20 years of German pharmaceutical sales experience was hired in April. New sales efforts will also focus on both expanding the direct pharmacy network and establishing relationships with wholesalers as we launch products under our own brand.

Management has also made significant advancements towards launching a CBD line. The Company has received its shipment of initial Pharmadrug branded CBD oils. As previously mentioned, the company will seek to distribute the product via distributors and e-commerce platforms. With an established supply chain in place and final consumer packaging now finalized, management will be able to test the market out and determine its strategy for CBD oils in Germany and potential other Eurozone countries.

Psychedelics in Europe:

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 E.U. 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, located in the Town of Tiel in central Netherlands, 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. Unfortunately, the coronavirus ("COVID-19") pandemic has been severe in the Netherlands and the country has had a strict lockdown regime. As a result, the development of its brick-and-mortar strategy is being put on hold. In the meantime, the Company has decided to develop its brand and business by establishing an online retail strategy under its Slim Winkel brand. The strategy will see a full Slim Winkel website in the Netherlands that will sell psilocybin truffles as well as functional mushrooms and other wellness products. The website will also service other parts of Europe, but without the access to psilocybin truffles.

On May 17, 2021, Pharmadrug announced that its Super Smart division had launched a Slim Winkel branded online retail platform in the U.S. that will focus on functional mushrooms. Given the decision to focus on developing an online presence, management believed the strategy lent itself to also launching a platform in the U.S. where brand building and distribution could extend an even further reach. The platform in the U.S. will also enable Super Smart to capitalize on an already established distribution model should psychedelics legalize in the U.S. The Dutch website, which will also include psilocybin truffles, is scheduled to be launched in early June.

Sairiyo - Biotech Research and Development:

In connection with the Sairiyo Acquisition, the Company has secured an exclusive license from SwRI® to develop and commercialize a novel oral formulation of Cepharanthine for all fields of use as well as exclusive rights to U.S. Patent: 10,576,077, titled "Pharmaceutical Salt forms of Cepharanthine and Tetrandrine". More recently, the Company has entered into an agreement with SwRI® to initiate non-clinical and clinical manufacturing of Cepharanthine for the Company's rare cancer and infectious diseases programs. Formalization of the relationship will allow Pharmadrug to expedite development timelines by leveraging SwRI®'s existing Cepharanthine preclinical data sets and considerable manufacturing know-how.

Cepharanthine is a natural product and an approved drug which has been used for more than 70 years in Japan to successfully treat a variety of acute and chronic diseases. In clinical research, Cepharanthine has been shown to exhibit multiple pharmacological properties including anti-oxidative, anti-inflammatory, immuno-regulatory, anti-cancer, anti-viral and anti-parasitic properties. However, historically Cepharanthine's low oral bioavailability has represented a major obstacle to realizing its full clinical potential.

The Company is focused on advancing the clinical development of an improved oral formulation of Cepharanthine to treat rare cancers and infectious diseases. Compared to generic Cepharanthine, Pharmadrug's novel formulation has been shown in rodent and non-rodent models to possess markedly superior bioavailability (more easily absorbed). These findings support the development of an orally administered formulation, and in so doing, removes the undesirable requirement for frequent intravenous dosing.

Cepharanthine and Cancer:

Based on preclinical data in esophageal cancer and a streamlined path to approval which comes by way of a recently granted FDA ODD, the Company plans to pursue Cepharanthine for this indication. In parallel, the Company will initiate high throughput studies to screen a large panel of additional cancers with the aim of identifying additional types of cancer sensitive to the effects of Cepharanthine-alone (monotherapy), or when combined with first and second-line chemotherapy drugs. It is expected that these studies will provide the

mechanistic understanding to rationally define a clinical lead program in oncology while also affording the opportunity to secure additional intellectual property around novel findings.

Cepharanthine and Covid-19:

Recently, to rapidly identify drug candidates and provide patients with 'off the shelf' treatments for COVID-19, two independent research groups screened approximately 3,000 already approved agents in differing cell culture models of SARS-CoV-2 infection and have recently published the results. In both cases, Cepharanthine was identified as the most promising lead; showing greater potency at inhibiting infection than existing clinical development candidates remdesivir and chloroquine. Moreover, Cepharanthine was also found to block viral cell entry of lab-attenuated SARS-CoV and the virus that causes Middle East respiratory syndrome ("MERS"). The anti-viral mechanism of action for Cepharanthine is mediated primarily through direct binding to the virus spike protein; the presence of which is required for viral entry into the cell. The authors note that while interesting, the poor oral bioavailability of generic Cepharanthine would necessitate intravenous administration and would limit patient access. The Company intends to capitalize on these findings by evaluating the benefit of their novel oral formulation of Cepharanthine in an animal model of SARS-CoV-2 infection. As a potential oral antiviral therapeutic agent to treat mild-moderate COVID-19, the Company will proceed to initiate discussions with health regulators, such as the FDA and Health Canada, to determine the appropriate next steps to advance to human clinical studies that would position Cepharanthine as a potential first-in-class therapeutic against coronaviruses and futurepandemics.

Pharmaceutical Psychedelics Research:

Pharmadrug and Sairiyo had already begun to develop a strategy to commence unique and value adding research in the psychedelic space prior to signing the purchase agreement. 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 key opinion leaders in the space, management will initiate pivotal preclinical and clinical development activities. Pharmadrug has brought on Dr. Barker, a prominent American DMT academic researcher as an advisor.

Although Pharmadrug has already filed for orphan drug status for the use of DMT with two distinct indications, the Company will also seek to collaborate with top tier academic psychedelic teams on foundational DMT research before determining and establishing its explicit commercial strategy. The first such relationship was announced in March of 2021 with the funding of a foundational study at The University of Michigan on the role of naturally occurring DMT in the brain. The Company is also in discussions with another prominent univer-

sity for the funding of a clinical study focused on administering DMT in humans. The goal of such a study will be to try to properly understand pathways for DMT in the brain and the biomechanics of both endogenous and exogenously administered DMT.

On April 28 2021, Sairiyo was granted ODD to DMI for prevention of IRI in patients undergoing solid organ transplantation, which includes the liver, kidney, heart and lung. The FDA ODD granted is broader than the Company's original application for kidney transplantation, recognizing the pernicious consequences of IRI in all solid organ transplantation. Before filing an Investigational New Drug application with the FDA to evaluate DMT in human clinical trials, the Company will advance its overall DMT strategy on three separate initiatives. Firstly, Pharmadrug is already at work evaluating specific DMT formulations aimed at superior delivery and improved efficacy. Secondly, management will contemplate additional pre-clinical research in inflammatory and oxidative stress-induced complications, including organ transplants, to better understand the role DMT plays in the field. Lastly, the Company will broaden its scope to evaluate other rare indications that potentially could benefit from DMT.

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

The Company currently distributes Bedrocan branded Medical Cannabis to pharmacies in Germany. The company has also recently signed a supply agreement with a Canadian based Global LP to distribute its Medical Cannabis in Germany. The first shipment has been received and sales efforts have begun. PharmaDrug has also recently begun discussions with another producer of cannabis for importation and distribution of its branded THC oils that are produced in Australia.

The Company is working to introduce Medical Cannabis in Germany under its own brand. It signed a supply agreement with Eve & Co last year for the importation of bulk Medical cannabis into Germany on a white label basis. The company is in the midst of registering the product with German regulators. PharmaDrug is also in discussions with an emerging Danish extractor for white label THC oil and an Iberian LP for White label flower.

On the psychedelics side, PharmaDrug plans to launch an online retail platform under its Slim Winkel brand in The Netherlands to sell psilocybin truffles, functional mushrooms and other wellness products. The website will also service other Eurozone countries, but without access to psilocybin truffles. PharmaDrug has also set up a U.S. subsidiary that will launch an American version of the Slim Winkel e-commerce platform that will focus on functional mushrooms.

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 14, 2021, the Company entered into the Supply Agreement with an emerging Eurozone cannabis extractor for medical grade THC oil to be sold under Pharmadrug's own brand. The Company expects to receive product and begin selling in Germany by September of 2021. Pursuant to the Supply Agreement, the Company's licensed German distributor, Pharmadrug Production will purchase Pharmadrug branded medical cannabis from the Eurozone cannabis extractor. The cannabis extractor recently had its EuGMP inspection from their local regulator with no noted major deficiencies. The Company expects them to receive their certification in this current quarter. Pharmadrug Production has already performed an initial inspection, but will perform a final inspection June to satisfy the Company's own GMP supply chain requirements. The Company has already finalized the final specs of the product with the extractor and expects to register the product with German authorities in July. Pharmadrug expects initial shipments and sales to begin in September of this year.

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.

Security	**Number Issued**	**Details of Issuance**	**Use of Proceeds** [(1)]
Options	2,000,000	Grant of options as compensation	$nil

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.

On May 12, 2021, Dr. Paul Van Slyke was promoted as the CSO 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, 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 May 31, 2021	Date of Report YY/MM/DD 21/06/01
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