

PharmaDrug Inc.: Correction to News Release Dated July 30, 2025

Toronto, Ontario--(Newsfile Corp. - July 30, 2025) - PharmaDrug Inc. (CSE: PHRX) (OTC Pink: LMLLF) ("**PharmaDrug**" or the "**Company**"), announces that the original news release captioned "PharmaDrug Signs LOI to Acquire Equity Interest in Canurta Inc." published on July 30, 2025 referred, incorrectly, to the number of common shares of PharmaDrug to be issued in the second tranche of the proposed transaction and the total number of shares to be issued pursuant to both tranches. The press release incorrectly stated the number of shares to be issued in the second tranche as 32,827,438; the correct figure is 57,665,316. Additionally, the total number of shares was reported as 58,807,438, whereas it should have been 83,645,316. The Company confirms that the total percentage of PharmaDrug shares that Canurta would own on closing of both tranches was correctly referenced as approximately 44%.

Below is the corrected news release in its entirety with the relevant updates

PharmaDrug Signs LOI to Acquire Equity Interest in Canurta Inc.

Toronto, Ontario--(Newsfile Corp. - July 30, 2025) - PharmaDrug Inc. (CSE: PHRX) (OTC Pink: LMLLF) ("**PharmaDrug**" or the "**Company**"), a specialty pharmaceutical company focused on the research, development and commercialization of natural medicines is announcing that it has entered into a non-binding Letter of Intent ("**LOI**") on July 23rd, 2025 to acquire up to a 40% equity interest in Canurta Limited Partnership ("**Canurta**"), the parent entity of Canurta Inc. (the "**Transaction**"), a biotechnology company pioneering novel botanical drugs that target inflammation and address unmet needs in neurodegenerative diseases.

Deal Structure

Under the terms of the LOI, PharmaDrug would acquire the Canurta units in two tranches, representing 19.9% and 20.1%, respectively, of the issued and outstanding units of Canurta. In consideration for the first tranche, PharmaDrug will issue 25,980,000 common shares in the capital of PharmaDrug ("**PHRX Shares**") to Canurta and in consideration for the second tranche PharmaDrug will issue 57,665,316 PHRX Shares, in each case at a deemed price equal to the 20-day volume-weighted average trading price of the PHRX Shares immediately prior to closing of the applicable tranche (for a potential total issuance of 83,645,316 PHRX Shares). Upon completion of both tranches, PharmaDrug will hold a 40% interest in Canurta, and Canurta will hold approximately 44% of the issued and outstanding PHRX Shares on a pro forma basis. The parties will work on settling a definitive agreement relating to the Transaction within 30 days (the "**Definitive Agreement**"). The proposed Transaction was negotiated on an arm's-length basis and, as a result, the Company did not obtain a fairness opinion and does not expect to do so. No finders' fees will be payable in connection with the proposed Transaction. If completed, it is anticipated that the PHRX Shares to be issued will be subject to a four-month hold period.

The Definitive Agreement is expected to include a clawback provision allowing Canurta to repurchase its equity interest in the event that agreed-upon operational, financial, or regulatory milestones (to be defined in the Definitive Agreement) are not met. In such case, any Canurta units held by PharmaDrug may be repurchased in exchange for the return and cancellation of the corresponding PHRX Shares.

As part of the Transaction, Canurta will contribute a minimum of \$85,000 to PharmaDrug at the closing of each tranche by way of a non-interest-bearing promissory note.

In connection with the Transaction, Canurta's Founder and CEO, Akeem Gardner, will be appointed to the Board of Directors of PharmaDrug. Mr. Gardner's leadership and vision is expected to play a pivotal role in advancing PharmaDrug's biotechnology pipeline and developing creative capital markets

initiatives. The appointment is intended to take place upon closing of the first tranche.

PharmaDrug expects to hold a shareholder meeting (or seek a written shareholder consent) to approve the issuance of PHRX Shares in connection with the closing of the second tranche pursuant to the policies of the Canadian Securities Exchange (the "**Shareholder Meeting**").

Completion of the Transaction is subject to various conditions, including execution of the Definitive Agreement, satisfactory completion of mutual due diligence, receipt of all required regulatory and shareholder approvals, and absence of material adverse changes. There can be no assurance that the Transaction will be completed as proposed or at all.

About Canurta Inc.

Canurta Therapeutics Inc. is a pre-revenue Canadian biotechnology company dedicated to pioneering botanical therapeutics for inflammatory and neurodegenerative diseases. Leveraging its proprietary Polykye™ platform, Canurta discovers and develops rare bioactive botanical ingredients and multi-target formulations designed to address complex disease mechanisms with clinical rigor. The company's lead candidate, CNR-401, is advancing towards global Phase 2 clinical trials in Amyotrophic Lateral Sclerosis (ALS), having successfully completed both Type B (end-of-Phase 1) and Type C (pre-IND) meetings with the U.S. Food and Drug Administration.

To broaden patient access and accelerate regulatory pathways, Canurta has entered into distribution-in-development and compassionate-use agreements in select international markets, including a Product Order and Supply Agreement in Brazil. This parallel real-world evidence initiative is expected to support global approval strategies and reinforce the safety and efficacy profile of CNR-401.

As of June 30, 2025, based on unaudited internal financial statements, Canurta reported total assets of approximately \$6.6 million, including \$866,454.19 in cash and cash equivalents. Canurta's total liabilities as of that date were approximately \$8.0 million, resulting in a net shareholders' deficit of approximately \$1.4 million. It is anticipated that the majority of Canurta's outstanding liabilities will convert into equity upon the closing of its currently pending Transaction. The Company will provide further update on the Debt Conversion upon the parties entering into the Definitive Agreement.

Canurta has no revenues to date and continues to operate as a pre-revenue biotechnology company. Revenue generation is contingent on the successful development, clinical validation, and regulatory approval of its drug candidates, which are currently in pre-clinical and early clinical development stages. No assurance can be given that these products will receive approval from the U.S. Food and Drug Administration or other regulators, or that they will ever be commercialized. Accordingly, there remains a material risk that Canurta may never generate commercial revenues, and its ongoing operations will depend on its ability to raise capital through equity, debt, or strategic partnerships.

As part of its long-term growth strategy, Canurta has developed an internal Bitcoin Treasury initiative, referred to as the Satoshi Trials™, which aims to explore the use of Bitcoin as a potential long-term funding mechanism for R&D activities. As of June 30, 2025, Canurta holds 1.28199 BTC in its corporate treasury, recorded under FASB fair-value accounting at \$190,114.70. Canurta views this holding as a long-term, alternative treasury asset that may support R&D and clinical development. Canurta is evaluating the potential to increase its Bitcoin holdings using available cash resources and may consider equity financing for further acquisitions. Canurta is also exploring alternative financing mechanisms, including the potential use of digital assets, as a complement to traditional equity-based funding for its clinical development programs. These considerations remain at a preliminary stage and are subject to market conditions and regulatory review.

Recent strategic initiatives include entering into a binding letter of intent to effect a business combination with with extractX Ltd. (the "**extractX LOI**"), a leader in advanced mobile extraction laboratories, which —when completed—will enhance Canurta's scalable GMP-grade botanical extraction capabilities and support supply chain integration (See Canurta's press release dated June 24, 2025¹). While the extractX

LOI is binding, there is no guarantee that the transactions underlying the extractX LOI will be completed. Together with the proposed transaction with PharmaDrug, these transformative steps are expected to strengthen Canurta's market presence and deliver long-term shareholder value.

Learn more about Canurta's traction and science at [Canurta's Journal](#), and, read founder-led insights from Akeem Gardner [here](#).

Deal Rationale

If completed, the Transaction will combine PharmaDrug's public market platform and resources with Canurta's research and proprietary technologies, fostering new opportunities to accelerate growth and shareholder value. Canurta's innovative platform includes the development of CNR-401, a lead therapeutic candidate targeting Amyotrophic Lateral Sclerosis (ALS), an area of significant unmet medical need.

Dr. David Kideckel, Executive Chairman of PharmaDrug commented, "We are extremely excited about our investment into Canurta as it bolsters our strategy and adds significant bench strength to our cepharanthine development program by adding a high potential natural based drug candidate focused on ALS that also seeks to begin earlier phases in Australia with a target to move over to FDA based clinical trials in later phases. Canurta has also demonstrated its ability to use AI to increase the efficiency and execution of drug development. And lastly, the investment allows PharmaDrug to participate in the Satoshi trial strategy which seeks to leverage novel financing Bitcoin-backed treasury strategies."

"We are excited to formalize this relationship with PharmaDrug, which offers a powerful platform to scale Canurta's therapeutic pipeline and deliver meaningful outcomes for patients and shareholders alike," said Akeem Gardner, CEO of Canurta. "Joining PharmaDrug's board will allow me to directly contribute to the strategic direction and execution of this transformative partnership. We look forward to driving value for all stakeholders by implementing and scaling the Satoshi Trials™ to evolve capital deployment in the life sciences sector."

About Akeem Gardner

Akeem Gardner is the Founder and CEO of Canurta Inc., a biotechnology company dedicated to developing innovative botanical therapeutics for inflammatory and neurological diseases. With a unique blend of entrepreneurial vision, scientific understanding, and legal expertise, Akeem has led Canurta to raise over \$13 million in funding and secure more than 20 global patents. His leadership combines strategic capital management with innovation in biotech and emerging technologies, including AI and blockchain integration. Recognized as a forward-thinking leader, Akeem has been honored with awards such as Brampton's 40 Under 40 and the MNP Future Leader Award. He holds degrees in Psychology and Law and is committed to advancing breakthrough therapies that address complex inflammatory and neurodegenerative diseases.

Strategic Review: SecureDose

The Company's Board of Directors has come to the decision that it will cease all activities at SecureDose given the shift in the political and cultural landscape that has resulted in a move away from third wave drug policy reform. PharmaDrug's focus from this point onwards will be on clinical and commercial development of therapeutic molecules and medical products.

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 Sairoyo Therapeutics ("Sairoyo"), 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. Sairoyo is

currently developing its patented reformulation of cepharanthine, a drug that has shown substantial third party validated potential for the treatment of infectious disease and rare cancers. Sairyo 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 Transaction and the completion of both tranches thereof, the issuance of PHRX Shares, the holding of the Shareholder Meeting, the entering into of the Definitive Agreement, the business of Canurta and the development of the Company's business and its proposed relationship with Canurta. 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.

¹ <https://www.canurta.com/post/extractx-ltd-signs-letter-of-intent-with-canurta-therapeutics-accelerating-strategic-growth-and-cs>



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