

# Form 51-102F3

## *Material Change Report*

**Item 1**            **Name and Address of Company**

**Champignon Brands Inc. (the “Issuer”)**  
Suite 2300 - 1177 West Hastings Street  
Vancouver, BC  
V6E 2K3

**Item 2**            **Date of Material Change**

March 13, 2020

**Item 3**            **News Release**

The news release was disseminated through Globenewswire and was filed on SEDAR on March 13, 2020.

**Item 4**            **Summary of Material Change**

The Issuer announced the addition of craft mushroom production, manufacturing and research capabilities. The Company is pleased to announce it has entered into a definitive agreement (the “Agreement”) to acquire Artisan Growers Ltd. (“Artisan Growers”), a British Columbia based craft mushroom cultivator and supplier.

**Item 5**            **Full Description of Material Change**

**Item 5.1**          **Full Description of Material Change**

Please see the attached news release dated March 13, 2020.

**Item 5.2**          **Disclosure for Restructuring Transactions**

Not applicable.

**Item 6**            **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7**            **Omitted Information**

Not applicable.

**Item 8**            **Executive Officer**

W. Gareth Birdsall  
CEO & Director  
T: +1 (778) 809-6664  
E: [info@champignonbrands.com](mailto:info@champignonbrands.com)

**Item 9**            **Date of Report**

March 13, 2020



champignon  
B R A N D S

## CHAMPIGNON BRANDS INC.

### NEWS RELEASE

#### Champignon Brands to Acquire Craft Mushroom Cultivator

**VANCOUVER, British Columbia / March 13, 2020 – Champignon Brands Inc.** (“**Champignon**” or the “**Company**”) (CSE: **SHRM**) (FWB: **496**), a wellness company specializing in medicinal mushroom and mushroom-infused products, continues to accelerate its vertical integration through the addition of craft mushroom production, manufacturing and research capabilities. The Company is pleased to announce it has entered into a definitive agreement (the “**Agreement**”) to acquire Artisan Growers Ltd. (“**Artisan Growers**”), a British Columbia based craft mushroom cultivator and supplier.

Artisan Growers operates a craft mushroom cultivation facility capable of producing an assortment of organic craft mushroom varieties including Lion’s Mane, Chaga, Reishi and Agaricus Blazei. Artisan Growers utilizes a variety of cultivation techniques and grow infrastructure to produce premium craft mushrooms.

Champignon plans to integrate Artisan Growers’ craft mushroom production capacity into its existing medicinal mushroom manufacturing, formulation and distribution infrastructure as the Company continues to control its supply chain directly to the end user.

Champignon has apportioned and allocated a dedicated laboratory area (the “**Laboratory Area**”) within the existing Artisan Growers facility for specific research and development (“**R&D**”) activities and fungi profile analysis, with the objective of:

- Further investigating the integration of its mushroom extracts as an alternative medicine delivery system;
- Formulating bioactive compounds extracted from plants/fungi;
- Cultivating fungi varieties, which will include psilocybin, to be commenced as soon as the Company has determined the appropriate regulatory approvals have been received; and,
- Isolating and synthesizing of certain plant/fungi extracts.

“With the acquisition of Artisan Growers, we continue to optimize our upstream, downstream and distribution capabilities, all the while securing valuable infrastructure to expedite our R&D pursuits,” stated Gareth Birdsall, Chief Executive Officer of Champignon Brands. “Over the coming quarters we will tactically execute on our stated business plan and look to also emerge as a best-in-class vertically integrated medicinal mushroom extract formulator, integrating alternative medicine, clinical research and vocational rehabilitation into the Company’s current product portfolio.”

Under the terms of the Agreement, Champignon will acquire 100 percent of the issued and outstanding shares of Artisan Growers for total consideration of 8 million common shares in the capital of the Company (the “**Consideration Shares**”). The Consideration Shares will be issued at an attributed price equal to a five-day volume-weighted average price at the time of issuance. A finder’s fee is applicable to this transaction.

**About Champignon Brands Inc.**

Champignon Brands has positioned itself to rapidly become a global force as a vertically integrated producer of artisanal medicinal mushrooms and associated products. The Champignon team is focused on enhancing the health and wellness of millions of consumers who can benefit from its premium suite of organic, sustainable and non-GMO mushroom and mushroom-infused formulations.

**ON BEHALF OF THE BOARD OF DIRECTORS**

W. Gareth Birdsall  
CEO & Director  
E: [info@champignonbands.com](mailto:info@champignonbands.com)  
T: +1 (778) 549-6714

**FOR INVESTOR INQUIRIES:**

Tyler Troup  
Circadian Group  
E: [SHRM@champignonbrands.com](mailto:SHRM@champignonbrands.com)

**FOR CHAMPIGNON BRANDS FRENCH INQUIRIES:**

Remy Scalabrini, Maricom Inc.  
E: [rs@maricom.ca](mailto:rs@maricom.ca)  
T: (888) 585-MARI

*The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.*

***Forward-looking Information Cautionary Statement***

*Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for Champignon Brands described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).*