



champignon  
B R A N D S

## CHAMPIGNON BRANDS INC.

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### NEWS RELEASE

#### CHAMPIGNON ANNOUNCES \$10,000,000 BOUGHT DEAL PRIVATE PLACEMENT

**VANCOUVER, British Columbia, May 11, 2020** – Champignon Brands Inc. (“**Champignon**” or the “**Company**”) (CSE: **SHRM**) (FWB: **496**), is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (“**Canaccord Genuity**”) and Eight Capital (“**Eight**” and together with Canaccord Genuity, the “**Co-Lead Underwriters**”), to purchase, on a bought deal private placement basis, 11,765,000 units of the Company (the “**Units**”) at a price of \$0.85 per Unit (the “**Issue Price**”) amounting to aggregate gross proceeds of \$10,000,250 (the “**Offering**”). Each Unit shall be comprised of one common share of the Company (a “**Common Share**”) and one half of one common share purchase warrant of the Company (each whole warrant, a “**Warrant**”). Each Warrant shall be exercisable to acquire one Common Share at a price of \$1.15 per Warrant for a period of 24 months from the closing of the Offering.

The Offering will be conducted by a syndicate of underwriters (collectively, the “**Underwriters**”) led by the Co-Lead Underwriters. The Company has granted the Co-Lead Underwriters an option (the “**Underwriters' Option**”) to purchase up to an additional 5,882,500 Units at the Issue Price. The Underwriters' Option may be exercised in whole or in part upon written notice to the Company at any time up to 48 hours prior to the closing of the Offering.

The Company has agreed to pay the Underwriters a cash commission payable on the closing date of the Offering equal to 7.0% of the aggregate gross proceeds of the Offering (including proceeds from the exercise of the Underwriters' Option) and to issue the Underwriters warrants (the “**Broker Warrants**”), exercisable to acquire, within 24 months from the closing of the Offering, in the aggregate, that number of Units which is equal to 7.0% of the number of Units sold under the Offering (including Units sold upon exercise of the Underwriters' Option), at an exercise price per Broker Warrant equal to the Issue Price.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Offering is expected to close on or about June 11, 2020 or such other date as the Company and Canaccord Genuity may agree, and is subject to certain closing conditions, including the approval of the securities regulatory authorities and the Canadian Securities Exchange. The Company intends to use the net proceeds of the Offering for the Company's North American clinical expansion program and for general working capital purposes.

## ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Roger McIntyre  
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*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).*