



champignon
B R A N D S

NEWS RELEASE

CHAMPIGNON PROVIDES CORPORATE UPDATE

VANCOUVER, British Columbia, July 13, 2020 – Champignon Brands Inc. (“**Champignon**” or the “**Company**”) (CSE: **SHRM**) (FWB: **496**) (OTCQB: **SHRMF**) announces the following corporate updates:

BCSC Continuous Disclosure Review

The Company continues to work with the British Columbia Securities Commission (the “**Commission**”) to complete its continuous disclosure review. The review relates to the Company’s disclosure obligations since it became a reporting issuer on February 6, 2020, and includes a review of the disclosure surrounding certain recent acquisitions completed by the Company. The Company will continue to fully cooperate with the Commission to assist in completion of the review in a timely fashion.

Corporate Rebranding & Spin Out

In June 2020, the Company’s board of directors considered options for realizing additional value for the consumer-packaged goods (CPG) pillar of its business and contemplated a reorganization that would result in the spinout of this business into a new reporting issuer. The board of directors has determined that this is not a suitable transaction to undertake at this stage and will not be proceeding with the contemplated reorganization and spinout.

The Company also clarifies that its previously announced intention to undertake a corporate rebranding, and to change its name did not result from any specific transaction undertaken by the Company. At this time, the board of directors has resolved not to proceed with the corporate rebranding and name change. The board of directors continues to review options for marketing and branding of the Company to represent its CPG, research and clinical business channels but has no plans to execute on any such initiatives in the near term.

Wellness Clinic of Orange County Inc.

The Company announces that the term sheet entered into with the Wellness Clinic of Orange County Inc. has been terminated, and the Company will not be proceeding with the proposed transaction at this time. The Company did not assume any ongoing liabilities or obligations in connection with the termination of the term sheet.

AltMed Capital Corp.

The Company also announces that it will rely on the temporary relief granted pursuant to British Columbia Instrument 51-517 (Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020) in respect of the filing of a business acquisition report (“**BAR**”) in connection with its acquisition of AltMed Capital Corp. (“**AltMed**”). A BAR in connection with the acquisition of AltMed would otherwise be due on July 13, 2020, based on the timeframe prescribed by National Instrument 51-102 (Continuous Disclosure Obligations), and is now expected to be filed no later than August 27, 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

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

Forward-looking Information Cautionary Statement

This news release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, statements we make regarding the speed and effectiveness of our treatments

are "forward-looking statements." Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, the Company's requirements for additional financing, and the effect of capital market conditions and other factors on capital availability, the Company's limited operating history and lack of historical profits; competition; failure of treatments to provide the expected health benefits; unanticipated side effects; dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing federal, provincial, state, municipal, local or other licenses; developments and changes in laws and regulations,

including increased regulation of the Company's industries and the capital markets; economic and financial conditions; volatility in the capital markets; engaging in activities that could be later determined to be illegal under domestic or international laws; failure to obtain the necessary shareholder, government or regulatory approvals, including that of the CSE; and failure to retain, secure and maintain key personnel and strategic partnerships including but not limited to executives, researchers, clinicians, customers and suppliers. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. The Company has no obligation to update any forward-looking statement, even if new information becomes available.