



champignon
B R A N D S

NEWS RELEASE

CHAMPIGNON TO BEGIN OFFERING Esketamine Treatment for Adults with Major Depressive Disorder at the Canadian Rapid Treatment Centre of Excellence

VANCOUVER, British Columbia, August 27, 2020 – Champignon Brands Inc. (CSE: SHRM) (the “**Company**” or “**Champignon**”) is expanding its rapid-onset treatment service for major depressive disorder (“**MDD**”). Champignon will offer esketamine for the treatment of adults with MDD at its flagship clinic starting in September 2020. Ketamine was declared a breakthrough treatment for depression by the US Food and Drug Administration (“**FDA**”). In May 2020, Health Canada approved esketamine for the treatment of MDD.

Champignon’s clinic, the Canadian Rapid Treatment Centre of Excellence (the “**CRTCE**”) is Canada’s first multidisciplinary community clinic offering rapid-onset treatments for depression and is expected to be the first of its kind to provide this novel treatment for depression in Canada. The CRTCE is located in Mississauga, Ontario.

Depression is a leading cause of reduced income in Canada due to workplace disability: adults with MDD lose almost one month of work per year.¹ Furthermore, depression, when co-occurring with heart disease, diabetes and other major chronic conditions, can worsen the course of these conditions and raise the risk for premature death.²

“The availability of esketamine at the CRTCE provides tremendous opportunity for adults across Canada affected by treatment-resistant depression to receive an effective, well-tolerated treatment. Moreover, this novel treatment works relatively faster than most conventional treatments for depression,” commented Dr. Roger McIntyre, Champignon’s Chief Executive Officer. “Esketamine has also been observed to help people with MDD when conventional treatments have been insufficient. This provides hope for people affected by MDD to have their symptoms improved and begin to function better again in their lives.”

Continuous Disclosure Review

As a further update, the Company continues to work with the British Columbia Securities Commission (“**BCSC**”) 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 continues to fully cooperate with the BCSC to assist in completion of the review in a timely fashion.

¹ The effect of bipolar I disorder and major depressive disorder on workforce function
McIntyre, R S, MD, FRCPC; Wilkins, K, MSc; Gilmour, H, MA; Soczynska, J K, HBSc; Konarski, J Z, MSc; M... Chronic Diseases in Canada; 2008; 28, 3

² Economic and humanistic burden associated with noncommunicable diseases among adults with depression and anxiety in the United States.
Ambrecht E., Shah A., Schepman P., Shah R., Pappadopoulos E., Chambers R., Stephens J., Haider S., McIntyre R. S. J Med Econ. 2020;1-11

In connection with the review, on August 26, 2020, the BCSC revoked the cease trade order previously issued against the Company on June 19, 2020, following the filing of business acquisition reports in connection with the acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp. Concurrently with the revocation, the BCSC issued a replacement order which will remain in effect pending the filing of an amended material change report in connection with the acquisition of AltMed Capital Corp.

Interim Financial Statements

The Company also announces it will rely on the blanket relief granted by the Alberta Securities Commission Blanket Order 51-517, *Temporary Exemption from Certain Corporate Finance Requirements* (“**BO 51-517**”), BC Instrument 51-515, *Temporary Exemption from Certain Corporate Finance Requirements* (“**BCI 51-515**”), and Ontario Instrument 51-502, *Temporary Exemption from Certain Corporate Finance Requirements* (“**OI 51-502**”), in respect of the filing of its interim financial statements for the period ending June 30, 2020, including the accompanying management’s discussion and analysis and related CEO and CFO certifications (collectively, the “**Required Filings**”).

The Company is working to complete the Required Filings, and addressed comments raised by the BCSC in the course of their disclosure review, within the time period of the extension. In the interim, all shareholders, including members of the Company’s management and other insiders are subject to a cease trade order issued by the BCSC. The Company confirms that since the filing of its interim consolidated financial statements for the period ended March 31, 2020, there have been no material developments other than those disclosed through news releases or through disclosure filings completed by the Company on SEDAR (www.sedar.com).

ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Roger McIntyre
Chief Executive Officer
E: info@champignonbrands.com

FOR INVESTOR INQUIRIES:

Champignon Brands | Storyboard Communications
Investor Relations, Toronto, Canada
Investor Line: +1 (833) 375-9995 x611
E: champignonbrands@storyboardcommunications.com

FOR CHAMPIGNON BRANDS FRENCH INQUIRIES:

Remy Scalabrini
Maricom Inc.
E: 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

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.