



NEWS RELEASE

CHAMPIGNON PROVIDES UPDATE ON DISCLOSURE REVIEW

VANCOUVER, British Columbia, September 15, 2020 – Champignon Brands Inc. (CSE: SHRM) (the “**Company**”) continues to work with the British Columbia Securities Commission (the “**Commission**”) to address an ongoing continuous disclosure review. Since the review was commenced, the Company has arranged for:

- Filing of business acquisition reports (collectively, the “**Business Acquisition Reports**”) in connection with the acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp.
- Revocation of the initial cease trade order issued by the Commission on June 19, 2020.
- Preparation of financial disclosure in connection with the acquisition of AltMed Capital Corp. (“**AltMed**”). Compilation of the statements is at an advanced stage, and the Company expects this work to be concluded shortly.

Continuous Disclosure Review

On June 19, 2020, the Company was notified by the Commission that it would be subject to a continuous disclosure review. Such reviews are conducted by the Commission for the purposes of ensuring compliance with the continuous disclosure obligations imposed by applicable Canadian securities laws. In the case of the Company, this 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 acquisitions completed by the Company since that time.

In connection with the review, on June 19, 2020, the Commission issued a cease trade order suspending trading in the securities of the Company pending the filing of Business Acquisition Reports in connection with the acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp. As a result of the cease trade order, trading in the common shares of the Company was suspended on the Canadian Securities Exchange.

The Business Acquisition Reports were filed by the Company on July 21, 2020, during which time the Company continued to work with the Commission to address comments received in the course of the disclosure review. As a result of the filing of the Business Acquisition Reports, on August 26, 2020, the Commission revoked the cease trade order previously issued on June 19, 2020. Concurrently with the revocation, the Commission issued a replacement cease trade order (the “**Replacement Order**”), pending the filing of a revised material change report (the “**Material Change Report**”) in connection with the acquisition by the Company of AltMed.

The Company previously filed a Material Change Report on May 11, 2020, in connection with the acquisition of AltMed. The Replacement Order will remain in effect until a revised Material Change Report is filed which contains the disclosure required for a restructuring transaction in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*.

Prior to finalization of a revised Material Change Report, the Company is required to finalize the accounting treatment for the acquisition of AltMed. The Company has concluded, in discussions with its external auditor and accounting advisors, that the acquisition of AltMed should be treated as a reverse-takeover in accordance with IFRS 3 – *Business Combinations*. As a result of this conclusion, AltMed is treated as the acquiror for accounting purposes and the Company is in the process of compiling the financial statements of AltMed for the six-month period ended June 30, 2020 to meet disclosure requirements. Compilation of the statements is at an advanced stage, and the Company expects this work to be concluded shortly.

The Company remains committed to working with the Commission to assist in completion of the review and revocation of the Replacement Order in a timely fashion. Compliance with its continuous disclosure obligations remains of paramount importance to the Company, and its board of directors, and the Company will continue to update shareholders as work with the Commission progresses.

ON BEHALF OF THE BOARD OF DIRECTORS

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The Canadian Securities Exchange 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 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 ability to finalize financial disclosure surrounding the acquisition of AltMed and meet the requirements prescribed for the revocation of the Replacement Order. 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.