



Champignon Brands to Restate Financial Statements and MD&A has Prepared CSE Listing Statement

VANCOUVER, BC, Feb. 17, 2021 /CNW Telbec/ - Champignon Brands Inc. (the "Company"), (CSE: SHRM) (FWB: 496) (OTCQB: SHRMF), announced that as a result of a review by the British Columbia Securities Commission (the "Commission"), the Company has determined to withdraw and refile its condensed interim consolidated financial statements and management's discussion & analysis ("MD&A") for the three and six month periods ended March 31, 2020 (the "Original Financial Statements and MD&A").

For the three and six month periods ended March 31, 2020, the Company previously recognized intangible assets in connection with the acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp. (the "Acquisitions") that aggregated approximately \$12 million. Subsequent to the issuance of the Original Financial Statements and MD&A, management determined that the financial statements needed to be restated to correct the accounting for the Acquisitions as the assets do not meet the definition of intangible assets for the purposes of international financial reporting standards and as result will be recorded as transaction costs in the Company's statement of loss and comprehensive loss. The restated condensed interim consolidated financial statements and MD&A will reflect this change in the accounting treatment of the assets acquired in these acquisitions. The effect of the restatements does not impact the Company's cash position.

In addition, it was determined that a shareholder and contracted consultant (the Consultant") of the Company was a related party with respect to the Acquisitions. As a result, the restated condensed interim consolidated financial statements and MD&A will include additional disclosure details with respect to related party transactions involving the Consultant.

The Company also expects to concurrently file condensed interim consolidated financial statements and related MD&A's for the three months ended June 30, 2020 and for the six months ended September 30, 2020 (the "September Interim Financial Statements and MD&A"). The September Interim Financial Statements and MD&A will reflect the acquisition of Altmed Capital Corp. ("Altmed") on April 30, 2020 (the "Transaction"). The Transaction constituted a Reverse Takeover Transaction ("RTO") of Champignon by Altmed. As a result, the fiscal year end of the Company for accounting and reporting purposes subsequent to April 30, 2020 will be Altmed's fiscal year end of March 31.

The Company has submitted drafts of the restated condensed interim consolidated financial statements and management's discussion & analysis ("MD&A") for the three and six month periods ended March 31, 2020 (the "Restated Financial Statements and MD&A") and the September Financial Statements and MD&A to the Commission for review. Until the Restated Financial Statements and MD&A are filed, the Original Financial Statements and MD&A should not be relied upon and should be considered to have been withdrawn.

CSE Listing Status/Cease Trade Orders

The Company has also today filed a draft of a new Listing Statement with the Commission and the Canadian Securities Exchange ("CSE") for review. The Listing Statement reflects the acquisition of Altmed and the RTO. The Company was required to file the new Listing Statement as a condition to the lifting of the existing cease trade orders issued by the Commission and prior to the Company's Common Shares being reinstated for trading on the CSE. The existing cease trade orders, issued on August 26, 2020 and October 27, 2020, effectively provide that the Company must file:

- a revised material change report reflecting the accounting treatment for the Altmed transaction
- interim financial statements for the period ended June 30, 2020,
- interim MD&A to June 30, 2020, and
- certification of interim filings for the period ended June 30, 2020.

Drafts of these filings have been submitted to the Commission for review. The Company is working diligently with the Commission and the CSE to ensure that the revocation of the existing cease trade orders against the Company and the filing of the new Listing Statement occur as soon as possible. However, there can be no assurance as to when (if ever) the Restated Financial Statements and MD&A and the September Financial Statements and MD&A will be filed. Similarly, there can be no assurance as to when (if ever) the existing cease trade orders will be lifted, the new Listing Statement will be completed and trading in the Company's Common Shares will be reinstated on the CSE.

Champignon Brands Inc. (<https://champignonbrands.com>) is a research-driven company specializing in breakthrough ketamine treatment for depression and other mental health conditions. The Company works closely with subsidiaries including AltMed Capital Corp. ("AltMed"). The Canadian Rapid Treatment Center of Excellence is wholly owned by AltMed.

ON BEHALF OF THE BOARD

"Dr. Roger McIntyre"
Dr. Roger McIntyre
Chairman & CEO

Call emergency medical services immediately if you believe you are experiencing a medical emergency. Do not rely on communication through the Champignon Brands website or the emails/telephone numbers above for urgent medical needs. Champignon Brands Inc. does not provide medical advice. If you have any specific medical questions or are seeking advice, please consult with your health care provider.

The CSE has 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, future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations, or beliefs of future performance are "forward-looking statements." Forward-looking statements include statements with respect to the filing of the Restated Financial Statements and MD&A, the filing of the September Financial Statements and MD&A, the completion of a new Listing Statement with the CSE, the lifting of the existing cease trade orders by the Commission and the reinstatement of trading in the Company's Common Shares on the CSE. 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.

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