

**FORM 51-102F3  
Material Change Report**

**ITEM 1      Name and Address of Company**

Championn Brands Inc. (“**Championn**” or the “**Company**”)  
1430 Hurontario Street  
Mississauga, Ontario  
L5G 3H4

**ITEM 2      Date of Material Change**

March 11, 2021

**ITEM 3      News Release**

A news release announcing the material change was issued through the facilities of Canada Newswire on March 11, 2021 and subsequently filed on SEDAR.

**ITEM 4      Summary of Material Changes**

As a result of a review by the British Columbia Securities Commission (the “**Commission**”), on March 11, 2021 the Company refiled 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 “**Restated Financial Statements and MD&A**”).

**ITEM 5      Full Description of Material Change**

*Restated Financial Statements*

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”). Subsequent to the issuance of the Company’s condensed interim consolidated financial statements for the period ended March 31, 2020 and for the period from incorporation on March 26, 2019 to March 31, 2019, management determined that the financial statements needed to be restated to correct for the accounting for the Acquisitions. The Company determined that the intangible assets did 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 effect of the restatement did not affect the Company’s cash position.

As a result, the net loss and comprehensive loss for the restated three month period ended March 31, 2020 increased from \$2,774,986 to \$16,329,497 and for the six month period ended increased from \$2,916,302 to \$16,470,813, in each case increasing by \$13,554,511. Consideration paid in excess of identifiable assets on the Acquisitions was restated to \$13,517,014 from \$nil for the three and six month periods ended March 31, 2020. The balance of Intangible Assets as at March 31, 2020 was restated to \$111,929 from \$11,860,462. Share Capital as at March 31, 2020 was restated to \$17,373,727 from \$15,603,227.

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 Company has disclosed the proceeds paid to the Consultant as a related party transaction in the Restated Financial Statements and MD&A.

Complete details on the effect of the restatements are included in the notes to the Restated Financial Statements and in the MD&A.

The Restated Financial Statements and MD&A supersede the previously filed financial statements and MD&A. Such previously filed financial statements and MD&A should be disregarded. The Restated Financial Statements and MD&A are available for review under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.champignonbrands.com](http://www.champignonbrands.com).

### *Interim Financial Statements*

The Company concurrently filed the 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 "Interim Financial Statements and MD&A"). The Interim Financial Statements and MD&A 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.

### *CSE Listing Status/Cease Trade Orders*

The Company intends to complete a new Listing Statement with the Canadian Securities Exchange ("**CSE**") to reflect the acquisition of Altmed and the RTO. In addition to the lifting of the existing cease trade orders issued by the Commission, the filing of the new Listing Statement will be required by the CSE 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.

All of these filings have now been completed by the Company. The Company's new management team is cooperating fully and 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 existing cease trade orders will be lifted, the new Listing Statement completed and trading reinstated on the CSE.

**ITEM 6      Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable. This report is not being filed on a confidential basis.

**ITEM 7      Omitted Information**

No information has been omitted on the basis that it is confidential information.

**ITEM 8      Executive Officer**

For further information, please contact Peter Rizakos, General Counsel of the Company, at (647) 204-3083.

**ITEM 9      Date of Report**

March 12, 2021.

***Forward-looking Information Cautionary Statement***

This material change report 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 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](http://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.