CHAMPIGNON BRANDS INC.

LISTING STATEMENT

IN CONNECTION WITH THE LISTING OF THE COMMON SHARES OF CHAMPIGNON BRANDS INC.

March 26, 2021

NOTICE TO READER

No underwriter has been involved in the preparation of this Listing Statement or performed any review or independent due diligence of the contents of this Listing Statement.

Champignon Brands Inc. ("Champignon") does not deal with psychedelic substances except within laboratory and clinical trial or lawful therapeutic settings conducted within approved regulatory frameworks in order to identify, develop, and administer treatments for medical conditions. Champignon does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in the jurisdictions in which it operates. Psilocybin and ketamine are currently Schedule III and Schedule I controlled substances, respectively, under the Controlled Drugs and Substances Act, S.C. 1996, c. 19 (the "CDSA") and it is a criminal offence to possess such substances under the CDSA without a prescription or a legal exemption. Health Canada has not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances in Canada without a prescription.

While Champignon believes psychedelic substances can be used to treat certain medical conditions, it does not advocate for the legalization of psychedelic substances for recreational use.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of securities of Champignon, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires any of these securities.

TABLE OF CONTENTS

1. GLOSSARY OF TERMS 4
2. CORPORATE STRUCTURE AND INCORPORATION 9
3. GENERAL DEVELOPMENT OF THE BUSINESS 10
4. NARRATIVE DESCRIPTION OF THE BUSINESS 15
5. SELECTED CONSOLIDATED FINANCIAL INFORMATION 27
6. MANAGEMENT'S DISCUSSION AND ANALYSIS 28
7. MARKET FOR SECURITIES 28
8. CONSOLIDATED CAPITALIZATION 28
9. OPTIONS TO PURCHASE SECURITIES 29
10. DESCRIPTION OF THE SECURITIES 30

10.1 GENERAL 30
10.2 DEBT SECURITIES 31
10.3 OTHER SECURITIES 31
10.4 MODIFICATION OF TERMS 31
10.5 OTHER ATTRIBUTES 31
10.6 PRIOR SALES 31
10.7 STOCK EXCHANGE PRICE 33

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER 33
12. PRINCIPAL SHAREHOLDERS 34
13. DIRECTORS AND OFFICERS 34
14. CAPITALIZATION 43
15. EXECUTIVE COMPENSATION 45
16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS 49
17. RISK FACTORS 49
18. PROMOTERS 64
19. LEGAL PROCEEDINGS 64
20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 65
21. AUDITORS, TRANSFER AGENTS AND REGISTRARS 66
22. MATERIAL CONTRACTS 66
23. INTEREST OF EXPERTS 67
24. OTHER MATERIAL FACTS 67
25. FINANCIAL STATEMENTS 67

Schedule "A" - Champignon Financial Statements

- **Audited consolidated financial statements of Champignon for the period from March 26, 2019 (the date of incorporation) to September 30, 2019, together with the notes thereto and the auditors' report thereon.**

- **Unaudited condensed restated interim financial statements of Champignon for the six months ended March 31, 2020.**

- **Unaudited consolidated interim financial statements of Champignon for the six months ended September 30, 2020.**

Schedule "B" - Champignon MD&A

Schedule "C" - AltMed Capital Financial Statements

- **Audited consolidated financial statements of AltMed Capital for the period from September 9, 2019 (the date of incorporation) to March 31, 2020, together with the notes thereto and the auditors' report thereon.**

Schedule "D" - AltMed Capital MD&A

Schedule "E" - CRTCE Financial Statements

- **Audited annual financial statements of CRTCE as at November 30, 2019 and for the year then ended, together with the notes thereto and the auditors' report thereon.**

- **Unaudited consolidated interim financial statements of CRTCE for the three months ended February 29, 2020.**

Schedule "F" - CRTCE MD&A

Schedule "G" - Audit Committee Charter

Introduction

This Listing Statement is furnished on behalf of the management of Champignon in connection with the listing of Champignon Shares on the CSE under the symbol "SHRM". Capitalized terms used in this Listing Statement which are not otherwise defined in the body of the Listing Statement shall have the meanings set forth under the Glossary of Terms. Information contained in this Listing Statement is given as of March 26, 2021, unless otherwise specifically stated. Throughout this Listing Statement, unless the context indicates or requires otherwise, the term "Champignon", means Champignon and its subsidiaries.

Trademarks and Tradenames

This Listing Statement and the documents incorporated herein by reference include references to Champignon's trademarks (and those of its subsidiaries) which are protected under applicable intellectual property laws and are Champignon's property (or that of its subsidiaries, as the case may be). Champignon's trademarks and trade names referred to in this Listing Statement and the documents incorporated herein by reference, may appear without the ® or ™ symbol. However, references to Champignon's trademarks and trade names in the absence of such symbols are not intended to indicate, in any way, that Champignon will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks and trade names used in this Listing Statement or in documents incorporated herein by reference are the property of their respective owners.

NOTICE TO READER

This Listing Statement includes market and industry data that has been obtained from third-party sources, including industry publications. Champignon believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, Champignon has not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

FORWARD LOOKING STATEMENTS

The information provided in this Listing Statement, including information incorporated by reference, may contain "forward-looking statements" about Champignon. In addition, Champignon may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by Champignon or in respect of Champignon that address activities, events or developments that are expected or anticipated to occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward looking statements, including, but not limited to, risks and uncertainties related to:

(i) the regulations (including approvals thereunder) of the industries in which Champignon operates, including the psychedelics, healthcare and pharmaceutical industries;

(ii) certain combined operational and financial information;

(iii) the nature of Champignon's business and operations;

(iv) forecasts of expenditures, including general and administrative expenses;

(v) expectations regarding the ability to raise capital;

(vi) fluctuations in currency exchange rates;

(vii) Champignon's business focus and outlook;

(viii) plans and objectives of management for future operations;

(ix) anticipated operational and financial performance; and

(x) such other risks described in this Listing Statement and described from time to time in documents filed by Champignon.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Champignon and while consideration has been given to list what Champignon thinks are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Listing Statement in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

(i) no material changes in the legislative and operating framework for the business of Champignon;

(ii) stock market volatility and market valuations;

(iii) the ongoing effects of the COVID-19 pandemic;

(iv) no material adverse changes in the business of any of the Parties;

(v) the ability of Champignon to access capital; and

(vi) no materially adverse events occurring outside the ordinary course of business for Champignon.

Although Champignon believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. As such, readers should consider the risk factors described under "*Risk Factors*" and other risks described elsewhere in this Listing Statement and in the documents incorporated by reference herein. Additional information on Champignon may be accessed on Champignon's profile through SEDAR (www.sedar.com). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Listing Statement.

Forward-looking statements made in this Listing Statement and other documents of Champignon, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on Champignon. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that Champignon and/or persons acting on its behalf

may issue. Champignon undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

Financial and Exchange Rate Information

The financial statements included in this Listing Statement have been prepared in accordance with IFRS and the audit of such financial statements is subject to Canadian auditing and auditor independence standards. These financial statements may not be comparable to financial statements of United States companies. Champignon Financial Statements, AltMed Capital Financial Statements and CRTCE Financial Statements have been prepared in Canadian Dollars.

Unless otherwise stated herein, all references to “$” and “dollars” are to Canadian currency.

1. Glossary of Terms

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Statement. Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders. In this Listing Statement, the following terms have the following meanings:

"**AltMed**" means AltMed Capital Corp., the resulting entity following the Amalgamation, which is a wholly-owned subsidiary of Champignon, and the business of which is the business of AltMed Capital prior to the Amalgamation;

"**AltMed Capital**" means AltMed Capital Corp., a company incorporated pursuant to the laws of the Province of British Columbia, which has been amalgamated pursuant to the Amalgamation;

"**AltMed Capital Financial Statements**" mean the audited consolidated financial statements of AltMed Capital for the period from September 9, 2019 (the date of incorporation) to March 31, 2020 and for the year then ended, together with the notes thereto and the auditors' report thereon, all as attached to this Listing Statement as Schedule "C";

"**AltMed Capital Shareholders**" means holders of AltMed Capital Shares immediately prior to giving effect to the Amalgamation;

"**AltMed Capital Shares**" means all the issued and outstanding common shares in the capital of AltMed Capital immediately prior to giving effect to the Amalgamation;

"**AltMed Capital Warrants**" means share purchase warrants of AltMed Capital to acquire AltMed Capital Shares immediately prior to giving effect to the Amalgamation;

"**Amalgamation**" means the amalgamation involving Newco and AltMed Capital under the Amalgamation Agreement pursuant to the BCBCA to which AltMed is the successor, which constituted a Reverse Takeover of Champignon by AltMed Capital;

"**Amalgamation Agreement**" means the amalgamation agreement dated April 9, 2020 made among Champignon, Newco and AltMed Capital, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**Amalgamation Consideration Warrants**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Amalgamation Date**" means April 30, 2020, being the date shown on the certificate of amalgamation for AltMed;

"**Amalgamation Escrow Agreement**" has the meaning ascribed to that term under the heading "*Escrowed Securities*";

"**Amalgamation Escrowed Securities**" has the meaning ascribed to that term under the heading "*Escrowed Securities*";

"**Artisan**" means Artisan Growers Ltd., a company incorporated pursuant to the laws of the Province of British Columbia;

"**Artisan Agreement"** means the share exchange agreement dated March 13, 2020 among Champignon, Artisan and the Artisan Vendors, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**Artisan Vendors**" means all of the former holders of securities in the capital of Artisan that sold their securities to Champignon;

"**Audit Committee**" means the audit committee of Champignon, as constituted from time to time;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"**BCSC**" means the British Columbia Securities Commission;

"**BCSC Order 228**" means the order issued June 19, 2020 by the BCSC with citation 2020 BCSECCOM 228, as is described under the heading "*Directors and Officers – Corporate Cease Trade Orders or Bankruptcies*";

"**BCSC Order 344**" means the order issued August 26, 2020 by the BCSC with citation 2020 BCSECCOM 344, as is described under the heading "*Directors and Officers – Corporate Cease Trade Orders or Bankruptcies*";

"**BCSC Order 345**" means the order issued August 26, 2020 by the BCSC with citation 2020 BCSECCOM 345, as is described under the heading "*Directors and Officers – Corporate Cease Trade Orders or Bankruptcies*";

"**BCSC Order 441**" means the order issued October 27, 2020 by the BCSC with citation 2020 BCSECCOM 441, as is described under the heading "*Directors and Officers – Corporate Cease Trade Orders or Bankruptcies*";

"**BCSC Orders**" means BCSC Order 228, BCSC Order 344, BCSC Order 345 and BCSC Order 441;

"**CBCA**" means the *Canada Business Corporations Act* (Canada), R.S.C., 1985, c. C-44;

"**CDS**" means Canadian Depository for Securities Ltd.;

"**CDSA"** means the *Controlled Drugs and Substances Act* (Canada);

"**Champignon**" means Champignon Brands Inc.;

"**Champignon Board**" means the board of directors of Champignon, as constituted from time to time;

"**Champignon Financial Statements**" mean the unaudited reviewed interim financial statements of Champignon for the six months ended September 30, 2020, the unaudited reviewed interim financial statements of Champignon for the six months ended March 31, 2020, and the audited consolidated financial statements of Champignon for the period from March 26, 2019 (the date of incorporation) to September 30, 2019, together with the notes thereto and the auditors' report thereon, all as attached to this Listing Statement as Schedule "A";

"**Champignon Shareholders**" means the holders of Champignon Shares;

"**Champignon Shares**" means all the issued and outstanding common shares in the capital of Champignon;

"**Champignon Options**" means the options of Champignon to purchase Champignon Shares granted pursuant to the Option Plan;

"**Clinics**" means the CRTCE Clinics and the New Clinics;

"**Company**" means Champignon Brands Inc.;

"**CPSO**" means the College of Physicians and Surgeons Ontario;

"**CRTCE**" means Canadian Rapid Treatment Center of Excellence Inc., a company incorporated pursuant to the laws of Ontario on December 14, 2017;

"**CRTCE Academy**" has the meaning ascribed to that term under the heading "*Narrative Description of the Business - Academy*";

"**CRTCE Acquisition**" means the acquisition of CRTCE by AltMed Capital and the related financing contemplated thereby, all of which was a condition to the closing of the Amalgamation;

"**CRTCE Clinics**" has the meaning ascribed to that term under the heading "*Narrative Description of the Business - Clinics Providing Psychedelic-Assisted Therapy*;

"**CRTCE Financial Statements**" mean the (i) audited consolidated financial statements of CRTCE as at November 30, 2019 and for the year then ended, together with the notes thereto and the auditors' report thereon; and (ii) unaudited reviewed interim financial statements of CRTCE for the three months ended February 29, 2020, all as attached to this Listing Statement as Schedule "E";

"**CSA**" means the *Controlled Substances Act* (United States);

"**CSE**" means the Canadian Securities Exchange;

"**Delivery Systems**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description – Novo Formulations*";

"**Exchange Ratio**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**fair value**" means the fair value in accordance with IFRS;

"**FDA**" means the United States Food and Drug Administration;

"**Financing**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Financing Broker Warrants**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Financing Underwriters**" means a syndicate of underwriters co-led by Canaccord Genuity Corp. and Eight Capital, and including Gravitas Securities Inc.;

"**Financing Underwriting Agreement**" means the underwriting agreement dated June 11, 2020 between Champignon and the Financing Underwriters, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**Financing Warrant Indenture**" means the warrant indenture dated June 11, 2020 between Champignon and NSA;

"**Financing Warrants**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**IFRS**" means International Financial Reporting Standards developed and maintained by the International Accounting Standards Board;

"**IP**" means intellectual property;

"**IPO**" means Champignon's initial public offering of Champignon Shares pursuant to the IPO Prospectus and the IPO Agency Agreement;

"**IPO Agency Agreement**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**IPO Agent**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**IPO Agent Warrants**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**IPO Escrow Agreement**" has the meaning ascribed to that term under the heading "*Escrowed Securities*", a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**IPO Prospectus**" means the final prospectus of Champignon dated February 5, 2020, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**IN**" means intranasal;

"**IV**" means intravenous;

"**Listing**" means the listing of Champignon Shares on the CSE;

"**Listing Statement**" means this CSE Form 2A Listing Statement, including all information incorporated by reference herein together with all Schedules hereto;

"**MD&A**" means management discussion & analysis relating to the relevant entity;

"**MNC**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description - Clinics Providing Psychedelic-Assisted Therapy – Clinic Expansion*";

"**Miami Research Agreement**" means the collaborative research agreement dated January 1, 2020 between Tassili and the University of Miami meaning and set forth under the heading "*Narrative Description of the Business - Tassili Life Sciences*";

"**NCE**" means new chemical entity;

"**NCIB**" means the normal course issuer bid to purchase up to 2,411,883 Champignon Shares announced by Champignon on March 20, 2020;

"**New Clinic**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description*";

"**Newco**" means 1246882 B.C. Ltd., a wholly-owned subsidiary of Champignon incorporated pursuant to the laws of the Province of British Columbia and which has been amalgamated pursuant to the Amalgamation;

"**Novo**" means Novo Formulations Ltd., a company incorporated pursuant to the laws of the Province of British Columbia;

"**Novo Agreement"** means the share exchange agreement dated March 17, 2020 between Champignon, Novo and the Novo Vendors, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**Novo IN Ketamine**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description – Novo Formulations*";

"**Novo IN Ketamine Study**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description – Novo Formulations*";

"**Novo Ketamine Cream**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description – Novo Formulations*";

"**Novo Ketamine Cream Study**" has the meaning set forth under the heading "*Narrative Description of the Business – General Description – Novo Formulations*";

"**Novo Vendors**" means all of the former holders of securities in the capital of Novo that sold their securities to Champignon;

"**Novo IP**" means intellectual property owned or controlled by Novo;

"**NSA**" means National Securities Administrators Ltd., transfer agent and escrow agent of Champignon;

"**NEO**" or "**Named Executive Officer**" has the meaning set forth under the heading "*Executive Compensation*";

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations of the Canadian Securities Administrators*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;

"**Option Plan**" means Champignon's 10% rolling stock option plan;

"**OHPP**" means Ontario's Out of Hospital Premises Program;

"**PTSD**" means post-traumatic stress disorder;

"**R&D**" means research and development;

"**Related Entity**" means, in respect of a CSE issuer:

(a) a person

(i) that is an affiliated entity of the CSE issuer,

(ii) of which the CSE issuer is a control block holder;

(b) a management company or distribution company of a mutual fund that is a CSE issuer; or

(c) a management company or other company that operates a trust or partnership that is a CSE issuer;

"**Related Person**" means, in respect of a CSE issuer:

(a) a Related Entity of the CSE issuer;

(b) a partner, director or officer of the CSE issuer or Related Entity;

(c) a promoter of or person who performs Investor Relations Activities for the CSE issuer or Related Entity;

(d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CSE issuer or Related Entity; and

(e) such other person as may be designated from time to time by the CSE;

"**Reverse Takeover**" has the meaning set out in NI 51-102;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Tassili**" means Tassili Life Sciences Corp., a company incorporated pursuant to the laws of Ontario;

"**Tassili Agreement"** means the share exchange agreement dated March 26, 2020 between Champignon, Tassili and the Tassili Vendors, a copy of which is available on Champignon's SEDAR profile at www.sedar.com;

"**Tassili Vendors**" means all of the former holders of securities in the capital of Tassili that sold their securities to Champignon;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

"**Voluntary Resale Restrictions**" has the meaning ascribed to that term under the heading "*Escrowed Securities*".

2. Corporate Structure and Incorporation

2.1 Corporate Name and Address

Champignon

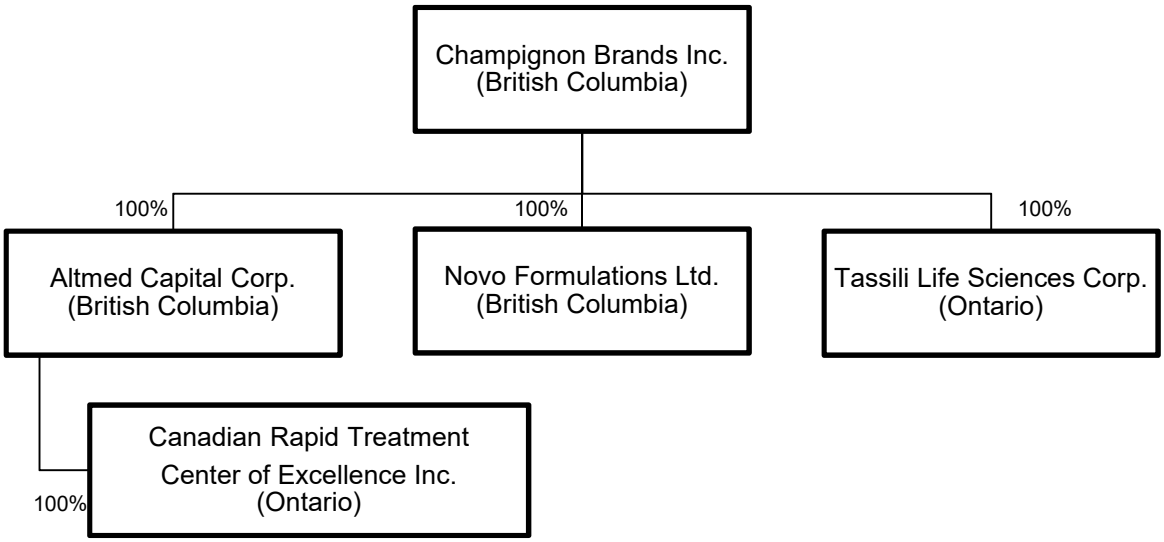
Champignon was incorporated under the BCBCA on March 26, 2019 under the name "Nature Leaf Wellness Corp." On June 7, 2019, Champignon changed its name to "Champignon Brands Inc." pursuant to the BCBCA. On April 30, 2020, the Amalgamation closed, which constituted a Reverse Takeover of Champignon by AltMed Capital.

Champignon is a reporting issuer in British Columbia, Alberta and Ontario and the Champignon Shares are listed under the symbol "SHRM" on the CSE.

Champignon's head office is located 1430 Hurontario St. Mississauga, Ontario L5G 3H4 and its registered and records office is located at 2200 HSBC Building, 885 W Georgia Street, Vancouver, British Columbia V6C 3E8. Champignon has four (4) direct and indirect wholly-owned material subsidiaries: AltMed, Novo, Tassili and CRTCE.

2.2 Corporate Structure of Champignon

The following organizational chart shows the intercorporate relationship among Champignon and Champignon's material subsidiaries:



3. General Development of the Business

3.1 General Development and History

Champignon

Historically, Champignon was focused on the formulation and end distribution of a suite of artisanal mushroom infused beverage products, with the objective of promoting holistic health and wellness through a healthy diet.

On May 9, 2019, the Company issued 3,000,000 units at a price of $0.005 per unit, with each unit consisting of one Champignon Share and one share purchase warrant (a "**Founder Warrant**") exercisable at a price of $0.005 per Champignon Share (increasing to $0.10 per Champignon Share on such date that the Company is listed on the public stock exchange) for a period of two years from the date of issuance for total proceeds of $15,000.

On May 27, 2019, the Company issued 3,500,000 Champignon Shares at a price of $0.02 per Champignon Share for proceeds of $70,000.

On September 11, 2019, the Company entered into a consignment and marketing agreement and in connection issued 300,000 share purchase warrants (each, a "**Pre-IPO Consideration Warrant**") exercisable at a price of $0.15 per Champignon Share until March 9, 2021.

In August 2019, the Company issued 5,000,000 units at a price of $0.10 per unit, with each unit consisting of one Champignon Share and one-half of one share purchase warrant (a "**Pre-IPO Financing Warrant**") exercisable at a price of $0.15 per Champignon Share for a period of three years from the date of issuance for total proceeds of $500,000.

On February 28, 2020, Champignon announced the closing of its IPO and listing of the Champignon Shares on the CSE under the symbol "SHRM". As part of the IPO, Champignon issued 18,916,667 Champignon Shares at a price of $0.15 per share for total gross proceeds of $2,837,500.05. Pursuant to the agency agreement dated February 5, 2020 (the "**IPO Agency Agreement**"), PI Financial Corp. (the "**IPO Agent**") acted as agent for the IPO and received a cash commission equal to 8% of the gross proceeds and non-transferable warrants entitling the IPO Agent to purchase a total of 1,513,333 Champignon Shares at a price of $0.30 per share until February 28, 2022 (the "**IPO Agent Warrants**"). A copy of Champignon's IPO Prospectus is available on Champignon's SEDAR profile at www.sedar.com.

On March 2, 2020, Champignon Shares began trading on the OTCQB under the symbol "SHRMF".

On March 17, 2020, Champignon acquired 100% of the issued and outstanding shares in the capital of Artisan pursuant to the Artisan Agreement. In consideration for the acquisition of all of the issued and outstanding shares of Artisan, Champignon issued 8,000,000 Champignon Shares to the Artisan Vendors and 800,000 finders Champignon Shares at a deemed price of $0.27 per share, being the discounted closing price of Champignon Shares as of the date of announcing the entry into the Artisan Agreement on March 13, 2020. The fair value of the Champignon Shares issued on the closing of the acquisition was $0.29 per share. Artisan is a craft mushroom sourcing and cultivation company based in British Columbia focused on the research of exotic mushrooms and wellness benefits associated with the strains. Artisan is currently a wholly owned subsidiary of Champignon. At the time, the acquisition of Artisan by Champignon constituted a "significant acquisition" under NI 51-102 and on July 21, 2020 Champignon filed a business acquisition report with respect to the acquisition of Artisan, a copy of which is available on Champignon's SEDAR profile at www.sedar.com.

On March 20, 2020, Champignon acquired 100% of the issued and outstanding shares in the capital of Novo pursuant to the Novo Agreement. In consideration for the acquisition of all of the issued and outstanding shares of Novo, Champignon issued 12,500,000 Champignon Shares and 1,000,000 finders Champignon Shares to the Novo Vendors at a deemed price of $0.2475 per share, being the discounted closing price of Champignon Shares as of the date prior to announcing the entry into of the Novo Agreement on March 19, 2020. The fair value of the Champignon Shares issued on the closing of the acquisition was $0.35 per share. Novo is a specialty biotechnology company focused on the research and development of novel and innovative delivery systems for the pharmaceutical and nutraceutical industries. Novo is currently a wholly owned subsidiary of Champignon. At the time, the acquisition of Novo by Champignon constituted a "significant acquisition" under NI 51-102 and on July 21, 2020 Champignon filed a business acquisition report with respect to the acquisition of Novo, a copy of which is available on Champignon's SEDAR profile at www.sedar.com.

On March 30, 2020, Champignon acquired 100% of the issued and outstanding shares in the capital of Tassili pursuant to the Tassili Agreement. In consideration for the acquisition of all of the issued and outstanding shares of Tassili, Champignon issued 16,000,001 Champignon Shares to the Tassili Vendors and 1,500,000 finders Champignon Shares at a deemed price of $0.28 per share, being the discounted closing price of Champignon Shares as of the date prior to announcing the entry into of the Tassili Agreement on March 27, 2020. The fair value of the Champignon Shares issued on the closing of the acquisition was $0.365 per share. Tassili, in partnership, was working to develop effective psilocybin-based therapeutics for the treatment of mild traumatic brain injuries and/or PTSD. Tassili is currently a wholly owned subsidiary of Champignon. The acquisition of Tassili by Champignon constituted a "significant acquisition" under NI 51-102 and on July 21, 2020 Champignon filed a business acquisition report with respect to the acquisition of Tassili, a copy of which is available on Champignon's SEDAR profile at www.sedar.com.

On April 9, 2020, Champignon, AltMed Capital and Newco entered into the Amalgamation Agreement pursuant to which AltMed Capital agreed to amalgamate with Newco to form AltMed and Champignon agreed to issue: (i) 75,674,000 Champignon Shares (representing 47.60% of the issued and outstanding Champignon Shares as at the Amalgamation Date, including 2,000,000 additional Champignon Shares issued as a finder's fee in connection with the Amalgamation) to the AltMed Capital Shareholders in exchange for all of the issued and outstanding AltMed Capital Shares, on the basis of 2,000 Champignon Shares for each one (1) AltMed Capital Share (the "**Exchange Ratio**"); and 2,100,000 share purchase warrants (the "**Amalgamation Consideration Warrants**") in exchange for all of the issued and outstanding AltMed Capital Warrants, with each Amalgamation Consideration Warrant exercisable for one Champignon Share at a price of $0.25 that expire February 20, 2022. The fair value of the

Champignon Shares issued on the closing of the acquisition was $0.85 per share. The description of the Amalgamation Agreement is a summary only, and is qualified in its entirety by reference to the terms of such agreement, which are available on Champignon's profile at www.sedar.com. Following the Amalgamation, which constituted a Reverse Takeover, the principal business of Champignon (and its subsidiaries) became the business of AltMed Capital.

On May 11, 2020, Champignon announced the appointment of Dr. Roger McIntyre as its Chief Executive Officer. Dr. McIntyre is a Professor of Psychiatry and Pharmacology at the University of Toronto and Head of the Mood Disorders Psychopharmacology Unit at the University Health Network, Toronto, Canada. Dr. McIntyre is also Executive Director of the Brain and Cognition Discovery Foundation in Toronto; Director and Chair of the Scientific Advisory Board of the Depression and Bipolar Support Alliance (DBSA) in Chicago, Illinois; Professor and Nanshan scholar at Guangzhou Medical University; and Adjunct Professor at the College of Medicine at Korea University. Furthermore, Dr. McIntyre is a Clinical Professor at the State University of New York (SUNY) Upstate Medical University, Syracuse, New York, and a Clinical Professor, Department of Psychiatry and Neurosciences, at the University of California, Riverside School of Medicine.

On May 11, 2020 Champignon announced, and on June 11, 2020 Champignon completed, a bought deal private placement of units (the "**Financing**") consisting of an issuance of 17,647,500 units (each, a "**Unit**") at a price of $0.85 per Unit for gross proceeds of $15,000,375. Each Unit consisted of one Champignon Share and one-half of one Champignon Share purchase warrant (each a "**Financing Warrant**"), entitling the holder thereof to acquire one Champignon Share at a price of $1.15 per share for a period of two (2) years from the closing of the Financing. The Financing Warrants were issued pursuant to and governed by the Financing Warrant Indenture, with NSA acting as warrant agent. In consideration of the services rendered by the Financing Underwriters in connection with the Financing, Champignon paid to the Financing Underwriters a cash commission equal to 7.0% of the gross proceeds from the Financing. In addition, Champignon granted the Financing Underwriters 1,235,325 warrants (the "**Financing Broker Warrants**"). Each Financing Broker Warrant, entitling the holder to acquire an additional Unit at an exercise price equal to $0.85 for a period of two years from the closing of the Financing.

On June 19, 2020, the BCSC issued BCSC Order 228 against Champignon. Pursuant to BCSC Order 228, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading of securities of Champignon cease until (i) Champignon filed business acquisition reports for each of its acquisitions of Artisan, Novo and Tassili; and (ii) the BCSC revoked BCSC Order 228. On August 26, 2020, the BCSC issued BCSC Order 344 which revoked BCSC Order 228, after Champignon had filed business acquisition reports for each of its acquisitions of Artisan, Novo and Tassili.

Concurrent with BCSC Order 344, on August 26, 2020, the BCSC issued BCSC Order 345 against Champignon. Pursuant to BCSC Order 345, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading of securities of Champignon cease until (i) Champignon filed a Form 51-102F3 for the Amalgamation that constituted a Reverse Takeover by AltMed Capital; and (ii) the BCSC revoked BCSC Order 345. BCSC Order 345 has not been revoked as of the date of this Listing Statement.

On October 27, 2020, the BCSC issued BCSC Order 441 against Champignon. BCSC Order 441 noted that Champignon had not filed (i) an interim financial report for the period ended June 30, 2020; (ii) an interim MD&A for the period ended June 30, 2020; and (iii) a certification of interim filings for the period ended June 30, 2020. Pursuant to BCSC Order 441, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading cease in respect of each security of Champignon. BCSC Order 441 has not been revoked as of the date of this Listing Statement.

On January 11, 2021, Champignon announced the appointment of Mr. Stephen R. Brooks as Chief Financial Officer and Mr. Peter Rizakos as General Counsel. Mr. Brooks was formerly Chief Financial Officer of Sim International, a television and movie service provider, CFO of the Ottawa Senators NHL hockey club and Senior Vice-President, Business Operations, of the Toronto Blue Jays and Rogers Centre. Peter Rizakos brings to the position of General Counsel 30 years of experience as a corporate and securities lawyer and as an executive in a variety of roles in both established and early-stage businesses. Most recently, Mr. Rizakos was President and CEO of a private mining company and General Counsel for Marret Asset Management Inc., a Canadian asset manager. He was also top legal officer for one of Canada's leading investment fund companies.

On January 25, 2021, Champignon announced the opening of a new CRTCE Clinic in Ottawa, Ontario, being the Company's third CRTCE Clinic.

On February 4, 2021, Champignon announced that Ms. Olga M. Cwiek had joined its board of directors. Ms. Cwiek served as a senior television executive at CBC and CTV specializing in television program acquisitions, labour and performer contract negotiations and design/administration of human resources policies and practices including human rights protections and enforcement. Champignon also announced the resignation of Bill Wilkerson, LL. D. (Hon) who had retired from its board of directors.

In March 2021, certain of the Company's shareholders agreed to voluntarily surrender 9,780,000 Champignon Shares to the Company for cancellation (the "Cancellation").

See also "*Prior Sales*" for additional details of specific security issuances of Champignon.

3.2 Significant Acquisitions and Dispositions

AltMed Capital

AltMed Capital was incorporated under the BCBCA on September 9, 2019. Pursuant to the Amalgamation, AltMed Capital amalgamated with Newco to become AltMed, a wholly owned subsidiary Champignon.

General Development and History

Prior to the Amalgamation, AltMed Capital was focused on aggregating intellectual property and completing strategic acquisitions in the alternative medicine space. In order to fund its operations, AltMed Capital had completed various rounds of initial financings, including:

- On December 7, 2019, AltMed Capital issued 1,322 AltMed Capital Shares for gross proceeds of $396,600 ($300 per AltMed Capital Share).
- On February 28, 2020, AltMed Capital issued 782 AltMed Capital Shares for gross proceeds of $391,000 ($500 per AltMed Capital Share).
- On March 11, 2020, AltMed Capital issued 2,667 AltMed Capital Shares for gross proceeds of $800,100 ($300 per AltMed Capital Share). These AltMed Capital Shares were issued with a discount of $200 per AltMed Capital Share in comparison with the most recent financing completed on February 28, 2020, as well as other financings that had completed in March 2020, all of which were at a price of $500 per AltMed Capital Share. As a result, AltMed Capital recognized $533,400 as share-based compensation for the period ended March 31, 2020. AltMed Capital also recorded a share subscription receivable in the amount of $250,000 in connection with this financing, which was received in full during the period ended June 30, 2020.
- On March 12, 2020, AltMed Capital issued 2,110 AltMed Capital Shares for gross proceeds of $1,055,000 ($500 per share).
- On March 16, 2020, AltMed Capital issued 470 AltMed Capital Shares for gross proceeds of $235,000 ($500 per share).
- On March 20, 2020, AltMed Capital issued 740 AltMed Capital Shares for gross proceeds of $370,000 ($500 per share). AltMed Capital also recorded a share subscription receivable in the amount of $25,000 in connection with this financing, which was received in full during the period ended June 30, 2020.
- As at March 31, 2020, AltMed Capital had recorded an obligation to issue shares in an amount of $60,000 pursuant to proceeds received for a financing that completed subsequent to March 31, 2020.
- On April 6, 2020, AltMed Capital issued 290 AltMed Capital Shares for gross proceeds of $145,000 ($500 per AltMed Capital Share). Of the total proceeds, $60,000 received as at March 31, 2020 was applied towards the private placement completed.

On April 29, 2020, AltMed Capital paid $1,500,000 in cash consideration and issued a total of 10,455 AltMed Capital Shares pursuant to the CRTCE Acquisition with a total fair value of $5,227,500 ($500 per AltMed Capital Share).

Following the Amalgamation, which constituted a Reverse Takeover, the principal business of Champignon (and its subsidiaries) became the business formerly conducted by AltMed Capital.

The following table sets out selected financial information of AltMed Capital:

Selected annual financial information of AltMed Capital

	For the period from September 9, 2019 (the date of incorporation) to March 31, 2020 (audited)
Income (loss) and comprehensive income (loss):	
(i) total for the year/period	($1,925,157)
(ii) total per share	($124.05)
Total assets	$3,063,693
Total current liabilities	$79,042
Total long-term financial liabilities	$nil
Cash dividends declared	$nil

See also the AltMed Capital Financial Statements attached to this Listing Statement as Schedule “C”.

CRTCE

April 29, 2020, AltMed Capital acquired 100% of the issued and outstanding shares in the capital of CRTCE. In consideration for the acquisition of all of the issued and outstanding shares of CRTCE, AltMed Capital paid $1,500,000 in cash consideration and issued a total of 10,455 AltMed Capital Shares with an aggregate fair value of $5,227,500 ($500 per AltMed Capital Share).

CRTCE is a corporation organized under the laws of the Province of Ontario which owns and operates the CRTCE Clinics. CRTCE offers rapid onset treatments to aid those suffering from several treatment-resistant conditions such as depression and bipolar disorder. Champignon management believes that the CRTCE Clinic in Mississauga is the only center licensed by the College of Physicians and Surgeons Ontario (CPSO) under the Out of Hospital Premises Program (OHPP) to perform ketamine IV treatments for depression.

The following table sets out selected financial information of CRTCE:

Selected annual financial information of CRTCE

	For the year ended November 30, 2019 (audited)	**For the year ended November 30, 2018 (unaudited)**
Income (loss) and comprehensive income (loss):		
(i) total for the year	($20,941)	($16,014)
(ii) total per share	($2,094)	($1,601)
Total assets	$50,067	$66,045
Total current liabilities	$70,908	$81,959
Total long-term financial liabilities	$nil	$nil
Cash dividends declared	$nil	$nil

See also the CRTCE Financial Statements attached to this Listing Statement as Schedule "E".

3.3 Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which Champignon's management expects could impact its business and financial condition are: (i) changes in laws, regulations and guidelines in its evolving industry; (ii) reliance on certain partnerships; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See section entitled "*Risk Factors*".

4. Narrative Description of the Business

4.1 General Description

Champignon is a medical solutions company that aims to reduce the illness burden of brain-based mental disorders (e.g. major depressive disorder). Its operations are primarily focused on (i) owning and operating multidisciplinary clinics providing treatment for mental health disorders and (ii) research activities related to discovering and commercializing novel drugs and delivery methods. Champignon develops ketamine and psilocybin derivatives and other psychedelic products from the Company's IP development platform.

Clinics Providing Psychedelic-Assisted Therapy

Champignon, through its wholly-owned subsidiary, the Canadian Rapid Treatment Center of Excellence Inc. ("**CRTCE"**), currently operates multidisciplinary community-based clinics offering rapid-onset treatments for depression located in Mississauga, Toronto and Ottawa, Ontario (collectively, the "**CRTCE Clinics**"), and is in the process of opening one new clinic in Montreal, Quebec (the "**New Clinic**" and together with the CRTCE Clinics, the "**Clinics**"). Champignon will seek to roll out and prioritize additional clinics in Canada and international jurisdictions where the provision of psychedelic-assisted psychotherapy is lawful. The Clinics are conceptualized as centers to provide evidence-based psychedelic treatment (e.g., ketamine), as well as an ecosystem for study recruitment and implementation evaluation of ketamine and/or psychedelic derivatives, as well as novel delivery platforms.

Currently, the only psychedelics administered at the CRTCE Clinics are es/ketamine. Implementation of additional psychedelic treatments (e.g., psilocybin derivatives) will only occur for clinical purpose after they are demonstrated to be safe, effective, and/or legalized/approved for use in Canada and other permissive jurisdictions, and supported by rigorous clinical trial evidence, Champignon will evaluate such treatments for use in its Clinics and, where appropriate, develop protocols to incorporate them into its clinics' therapeutic offerings.

Ketamine and Ketamine Derivatives

Ketamine is a dissociative psychedelic that has unique effects on the body and mind. It has a favourable safety profile[1,2] and has been legally used as an anesthetic since the 1970s. A series of studies in the early 2000s supported ketamine's effectiveness as an antidepressant, and it is now used in Canada as a doctor-prescribed, off-label treatment for treatment-resistant depression. See "*Regulatory Overview*" below.

Numerous replicated clinical trials have demonstrated ketamine's rapid and robust antidepressant effects, which are observed within days among patients that have failed to respond to conventional antidepressants.[3] Ketamine has also been shown to reduce suicidal thoughts.[4] In March 2019, the FDA approved a ketamine-based (i.e., esketamine)

---

[1] Rodrigues NB, McIntyre RS, Lipsitz O, Lee Y, Cha DS, Nasri F, et al. Safety and tolerability of IV ketamine in adults with major depressive or bipolar disorder: results from the Canadian rapid treatment center of excellence. Expert Opin Drug Saf [Internet]. 2020 Jun 15;19(8):1031–40. Available from: http://dx.doi.org/10.1080/14740338.2020.1776699

[2] Lipsitz O, Di Vincenzo JD, Rodrigues NB, Cha DS, Lee Y, Greenberg D, et al. Safety, Tolerability, and Real-World Effectiveness of Intravenous Ketamine in Older Adults With Treatment-Resistant Depression: A Case Series. Am J Geriatr Psychiatry [Internet]. 2021 Jan 9; Available from: http://dx.doi.org/10.1016/j.jagp.2020.12.032

[3] McIntyre RS, Carvalho IP, Lui LMW, Majeed A, Masand PS, Gill H, et al. The effect of intravenous, intranasal, and oral ketamine in mood disorders: A meta-analysis. J Affect Disord [Internet]. 2020 Jul 21;276:576–84. Available from: http://dx.doi.org/10.1016/j.jad.2020.06.050

[4] McIntyre RS, Rodrigues NB, Lee Y, Lipsitz O, Subramaniapillai M, Gill H, et al. The effectiveness of repeated intravenous ketamine on depressive symptoms, suicidal ideation and functional disability in adults with major depressive disorder and bipolar disorder: Results from the

nasal spray treatment for depression[5,] In May 2020, the nasal spray treatment was approved by Health Canada.[6] In August 2020, the US FDA approved an esketamine nasal spray as a treatment for depression with suicidality.[7] Ketamine may also be used in combination with other commonly prescribed antidepressants for the treatment of major depressive disorder in adults who have not responded to at least two antidepressants.

The Company will be engaged in further research on the use of ketamine and ketamine derivatives for the treatment of various brain-based diseases.

Psilocybin and Psilocybin Derivatives

Psilocybin is considered a serotonergic hallucinogen and is an active ingredient in some species of mushrooms. There is an accumulating body of evidence that psilocybin may have beneficial effects on depression and other brain based conditions. Health Canada and the FDA have permitted the use of psilocybin in clinical studies for the treatment of a range of psychiatric conditions.

The potential of psilocybin therapy in mental health conditions has been demonstrated in a number of academic sponsored studies over the last decade.[8] In these early studies, it was observed that psilocybin therapy provided rapid reductions in depression symptoms after a single high dose, with antidepressant effects lasting for up to at least six months for a number of patients. [9] These studies assessed symptoms related to depression and anxiety through a number of widely used and validated scales.[10] The data generated by these studies suggest that psilocybin is generally well-tolerated and has the potential to treat depression when administered with psychological support. [11]

While psilocybin is not currently administered at the CRTCE Clinics, the CRTCE is the only clinic in Canada that has previously been involved in randomized controlled trials of psilocybin for the treatment of depression. The Company will be engaged in further research on the use of psilocybin and psilocybin derivatives for the treatment of various brain based diseases. In 2021, Champignon is scheduled to launch a separate randomized controlled trial that will be conducted exclusively at the CRTCE Clinics (the "**Psilocybin Trial**") (see "*Narrative of the Business – Research and Development of IP – CRTCE 's Research Activities").* The trial will evaluate the efficacy, safety, and tolerability of psilocybin in adults with treatment-resistant depression.

Clinical Administration

Through Champignon's wholly owned subsidiary, CRTCE, Champignon seeks to create a Canadian-based broad network of specialty clinics for ketamine treatment and psychedelic-enhanced psychotherapy, enabling patients to more effectively and affordably address depression, anxiety, addiction and other conditions. CRTCE also aims to develop evidence-based, manual-supported psychotherapeutic approaches for both ketamine and psychedelic treatments for adults with depression and related disorders.

Canadian Rapid Treatment Center of Excellence. J Affect Disord [Internet]. 2020 May 26;274:903–10. Available from: http://dx.doi.org/10.1016/j.jad.2020.05.088

[5] FDA News Release: *FDA approves new nasal spray medication for treatment-resistant depression; available only at a certified doctor's office or clinic*, March 5, 2019 (available at https://www.fda.gov/news-events/press-announcements/fda-approves-new-nasal-spray-medicationtreatment-resistant-depression-available-only-certified).

[6] https://hpr-rps.hres.ca/reg-content/regulatory-decision-summary-detail.php?lang=en&linkID=RDS00738
7https://www.prnewswire.com/news-releases/janssen-announces-us-fda-approval-of-spravato-esketamine-ciii-nasal-spray-to-treat-depressive-symptoms-in-adults-with-major-depressive-disorder-with-acute-suicidal-ideation-or-behavior-301104437.html

[8] Carhart-Harris RL, Goodwin GM. The Therapeutic Potential of Psychedelic Drugs: Past, Present, and Future. Neuropsychopharmacology [Internet]. 2017 Oct;42(11):2105–13. Available from: http://dx.doi.org/10.1038/npp.2017.84

[9] Carhart-Harris RL, Bolstridge M, Rucker J, Day CMJ, Erritzoe D, Kaelen M, et al. Psilocybin with psychological support for treatment-resistant depression: an open-label feasibility study [Internet]. Vol. 3, The Lancet Psychiatry. 2016. p. 619–27. Available from: http://dx.doi.org/10.1016/s2215-0366(16)30065-7

[10] Davis AK, Barrett FS, May DG, Cosimano MP, Sepeda ND, Johnson MW, et al. Effects of Psilocybin-Assisted Therapy on Major Depressive Disorder: A Randomized Clinical Trial. JAMA Psychiatry [Internet]. 2020 Nov 4; Available from: http://dx.doi.org/10.1001/jamapsychiatry.2020.3285

[11] Gill H, Gill B, Chen-Li D, El-Halabi S, Rodrigues NB, Cha DS, et al. The emerging role of psilocybin and MDMA in the treatment of mental illness. Expert Rev Neurother [Internet]. 2020 Sep 30;1–11. Available from: http://dx.doi.org/10.108/14737175.2020.1826931

CRTCE is a multidisciplinary outpatient clinical research organization that has specialized in providing breakthrough rapid onset treatments for depression, including but not limited to intravenous and intranasal ketamine. CRTCE operates the CRTCE Clinics, and is intending to open and operate the New Clinic. Management of the Company believes that CRTCE is the largest provider of ketamine and related products for adults with treatment-resistant depression in Canada. Since its inception in July 2018, CRTCE has administered over 2,600 ketamine treatments at the CRTCE Clinics.

At the CRTCE Clinics, ketamine is administered through intravenous ("**IV**") injection, intranasal ("**IN**") spray and sublingual therapy applications. IV injections in Ontario can only be administered under the direct supervision and monitoring of a healthcare professional at an approved administration site. Management believes that the CRTCE Clinic in Mississauga is the only center licensed by the College of Physicians and Surgeons Ontario (CPSO) under the Out of Hospital Premises Program (OHPP) to perform ketamine IV treatments for depression. In addition, the CRTCE Clinics are registered sites of care to administer Spravato ®, developed by Janssen Pharmaceuticals, Inc., a derivative of ketamine and the first IN spray treatment approved by the FDA and Health Canada for treatment resistant depression.

The CRTCE Clinic in Mississauga, Ontario is co-located with a full-service independently owned and operated retail pharmacy provider.

To obtain treatment, patients must be referred to one of the CRTCE Clinics by family physicians, psychiatrists, or nurse practitioners. The CRTCE Clinic provides a comfortable environment focused on the safety and success of each individual patient. Upon receiving a referral, the patient is then scheduled for a consultation with a CRTCE affiliated physician to assess whether ketamine treatment is a suitable treatment option and review the patient's medical history to ensure that there are no apparent contraindications.

Following approval by the CRTCE affiliated psychiatrist, a course of treatment and delivery method (IV, IN or sublingual) is established for the patient. For IV patients, the CRTCE anesthesia team provides a second screening to ensure the patient's physical health is suitable for ketamine IV treatment. Patients are then scheduled to participate in the acute course of therapy which consists of four to eight treatments over two to three weeks. Dosing sessions are typically scheduled two to three days apart. After the acute course of four to eight treatments is completed, the patient is scheduled for a post-acute follow up with a CRTCE affiliated psychiatrist.

IN and sublingual ketamine are administered by a trained nurse and supervised by an on-call psychiatrist. Patients receive oral esketamine according to the manufacturer's product monograph. During the acute induction phase of therapy, patients receive two treatments per week for the first one to four weeks. During the maintenance phase of therapy, patients receive one treatment per week for one to three weeks and one treatment every two weeks for subsequent weeks.

For sublingual ketamine, acute therapy consists of two treatments per week for four weeks. The frequency of treatments varies for maintenance therapy. The dose of IN and sublingual ketamine continues to be refined based on the patient experience (e.g., safety, tolerability, and efficacy).

Ketamine is not covered by the Ontario Health Insurance Plan or the Ontario Drug Benefit, but is covered by some private insurance plans. CRTCE currently grosses approximately a million dollars in revenue per annum. (See *General Development of the Business – Significant Acquisitions – CRTCE and the CRTCE Financial Statements*).

The CRTCE Academy

In addition to the Clinics, CRTCE is planning to implement an academy (the "**CRTCE Academy**") to train healthcare providers on the implementation of ketamine and related psychedelics for adults with common mental health conditions. Once implemented, the CRTCE Academy is expected to train healthcare providers on pharmacology and integrated psychosocial/psychotherapeutic interventions that are evidence-based and, where required, approved by regulators. The CRTCE Academy is expected to certify healthcare providers and provide ongoing continuing medical educational activities for healthcare providers implementing ketamine and related products. There is no guarantee that the Academy will be implemented or, if implemented, be successful. See section entitled "*Risk Factors*".

The CRTCE Academy contributes to the business model insofar as registration fees will supplement the revenue stream. In addition, CRTCE Academy-trained clinicians would be expected to engage in continuing professional development, providing additional source for revenue. Moreover, the training of clinicians would substantiate the scientific/academic bona fides of the CRTCE and provide an opportunity for building on the pre-existing networks of clinicians internationally who refer patients to the CRTCE. Moreover, the referral of patients to the CRTCE may be for clinical and/or research purposes.

Current CRTCE Clinics and New Clinic Expansion

The Company's aim is to deliver ketamine, psilocybin and other psychedelics at point-of-care in clinics throughout Canada and other legally permissive jurisdictions under evaluation (including certain locations within the U.S. and Europe).

Listed in the table below are Clinics of Champignon, with the status of each Clinic listed.

Location	Size (sq. ft)	Monthly rent	Lease Expiry date	Monthly Patient Capacity	Opening date
Mississauga, Ontario	1500	1,500 CAD	Oct, 2021	400	Jul, 2018
Toronto, Ontario	200	1,000 CAD	January 1, 2021	120	Nov, 2020
Ottawa, Ontario	514	$1495	Feb, 2022	120	Jan, 2021
Montreal, Quebec	2000	7,000 CAD	TBD	400	Expected Mar, 2021

Note:
(1) The New Clinic in Montreal is expected to be operated as a joint venture, owned equally by CRTCE and its joint venture partner. The New Clinic is expected to be part of the Montreal Neurotherapie Center (the "MNC"), a 14,000 square foot facility. The New Clinic space referred to is an approximation of the space that is expected to be used by the New Clinic in the MNC. The rental rate is an estimation only, as a variable rate of 18% of revenues for the JV payable to MNC, subject to a maximum of $7,000 per month. The rental term will be set out in a binding joint venture agreement which has not been finalized or signed as of the date of this Listing Statement. The terms set out above are reflected in an executed term sheet signed by the parties but are subject to the execution of such binding joint venture agreement.

There is no guarantee that any or all of the New Clinics will be implemented or, if implemented, be successful. See section entitled "*Risk Factors*".

The Company will also seek to identify and develop or acquire additional New Clinics to add to its portfolio of Clinics. Champignon's guiding principles for clinic expansion will be to acquire clinics that are aligned with the aims of its business, as well as those that have exhibited a track record of organizational excellence, R&D capability and profitability. The establishment of additional clinics will be funded by either available funds or debt or equity financings, based on the capital needs and requirements of Champignon at the time of the development or acquisition. Details regarding the current expansion plans of Champignon are discussed in the *"Narrative of the Business – Principal Products and Services"*.

4.2 Research and Development of IP

Champignon is focused on driving innovation through R&D of ketamine, psilocybin and other rapid-onset treatments within our own IP delivery systems for individuals with brain-based disorders. Champignon's R&D activities are primarily carried out by Champignon's wholly owned subsidiaries, CRTCE, Novo and Tassili.

CRTCE's Research Activities

CRTCE's R&D aims to identify alternate routes of delivering ketamine and/or psychedelic derivatives (i.e. NCEs), as well as delivery systems (e.g., topical). CRTCE expects to utilize its existing clinical research ecosystem to eliminate the need for contract research organizations, and to utilize its extensive data repository and research footprint to design and expedite clinical trial protocol design and deployment.

The principal activities which must be completed after initial research and before obtaining approval for marketing new drugs in Canada and the U.S. are as follows:

- Preclinical Studies. Preclinical studies are conducted in animals to test pharmacology, efficacy and toxicology and complete formulation work based on in vivo results.

- Phase 1 Clinical Trials. Phase 1 clinical trials consist of testing a product in a small number of humans for its safety (toxicity), dose tolerance and pharmacokinetic properties.

- Phase 2 Clinical Trials. Phase 2 clinical trials usually involve a larger patient population than is required for phase I trials and are conducted to evaluate the effectiveness of a product in patients having the disease or medical condition for which the product is indicated. These trials also serve to identify possible common short-term side effects and risks in a larger group of patients.

- Phase 3 Clinical Trials. Phase 3 clinical trials involve conducting tests in an expanded patient population at geographically dispersed test sites (multi-center trials) to establish clinical safety and effectiveness. These trials also generate information from which the overall benefit-risk relationship relating to the drug can be determined and provide a basis for drug labelling.

Clinical Research Ecosystem

Unique to Champignon is its research infrastructure and access to well-characterized persons affected by depression who would be eligible for clinical research. This unique value proposition provides the opportunity to disintermediate CROs and may shorten the time from concept to first-in-human/disease research (i.e., phase 1/2 study). Champignon, via its Clinics, has patients who are eligible as participants in its R&D endeavours. Champignon has the capability of conducting first-in-human and proof-of-concept studies with NCEs via IP delivery platforms.

Currently, Champignon is focused on utilizing its own clinical research ecosystem for the Psilocybin Trial, a Phase 2 clinical trial involving adults with treatment-resistant depression. Champignon will be collaborating with the Brain and Cognition Discovery Foundation (the "**BCDF**") on the Psilocybin Trial pursuant to a cooperative arrangement, which will be approved by Champignon's disinterested directors, in which Champignon will reimburse the market-costs of BCDF and have full use of all data resulting from the Psilocybin Trial. The BCDF is a non-profit entity registered in Canada that conducts research and education in Canada in the area of mental health and is led by Champignon's CEO, Roger McIntyre. The BCDF, in coordination with Champignon, will submit the requisite clinical trial application to Health Canada by mid-March 2021. Upon receipt of a no objection letter from Health Canada, the BCDF and Champignon will file a Section 56 exemption application. Based upon consultations with Health Canada, Champignon currently anticipates that the clinical trial application review process will take 30 days and that the Section 56 exemption review process will take 30 working days. Assuming receipt of the applicable Health Canada approvals, including the no objection letter and a Section 56 exemption under the CDSA on this timeline, Champignon expects to commence the Psilocybin Trial by June 2021.

Data Repository and Research Footprint

Champignon provides evidence-based best practices and global leadership in the implementation of ketamine in adults with depression. The product that derives from the foregoing service is what management believes to be the world's largest data repository of clinical research data on adults with treatment-resistant depression. Champignon intends to use this data to develop NCEs suitable for Phase 1 and Phase 2 clinical trials.

In addition, management believes that CRTCE's staff has published more peer-reviewed scientific papers documenting experience with ketamine in patients than any other center in the world. The CRTCE staff have published peer-reviewed scientific articles in the world's leading psychiatric/medical journals including, but not limited

to, *The Lancet*, *World Psychiatry*, and the *American Journal of Psychiatry*. In addition, the CRTCE expects to publish in 2021 in the *American Journal of Psychiatry* the international consensus statement and guidelines on the implementation of ketamine/esketamine in adults with major depression. Management believes that these guidelines, developed by Dr. Roger S. McIntyre and CRTCE staff, will be the authoritative statement on best practices for ketamine/esketamine administration globally and are expected to be used by clinicians, scientific investigators, healthcare administrators, the courts, policy experts, effectiveness researchers, as well as authors of clinical practice guidelines.

NCE Development and Clinical Trials

Champignon is in very early stages of developing NCEs for the treatment of brain-based disorders. As part of its drug discovery program, on June 2, 2020, Champignon engaged a third-party contractor to identify ketamine and psilocybin derivatives with an aim to conduct proof-of-concept studies with IP-capable delivery methods (e.g., topical, intranasal) for the treatment of brain-based disorders, including depression, post-traumatic stress disorder (PTSD), and alcohol and drug addiction.

Champignon is currently focusing on two identified NCE compounds, a derivative of esketamine and a derivative of psilocybin**.** Champignon is preparing provisional patents for these NCEs, which it expects to submit in mid-2021 before it seeks to synthesize the NCEs at a subcontracted lab. Champignon will then commence a review of the commercialization pathway for such NCEs, but expects to complete pre-clinical studies to assess toxicity, pharmacokinetic and safety information.

Novo Formulations

Champignon acquired Novo in March 2020. Novo is a biotechnology company which is focused on developing the Novo IP, which relates to novel and innovative delivery systems for the pharmaceutical and nutraceutical industries. As part of the Novo IP, Novo is actively formulating and developing bioavailable, delivery platforms, including the following: transdermal (topical) creams, intranasal spray, sublingual tabs, novel oral and suppository tablets (the "**Delivery Systems**").

Through pharmaceutical compounding, these Delivery Systems can be combined with natural products, prescription medicinal molecules, and also experimental compounds such as ketamine derivatives and other psychedelic ingredients.

On December 22, 2020, the Advarra Research Ethics and Compliance Board approved a clinical study for a Phase 1B Trial (the "**Novo Ketamine Cream Study**"): a Novo transdermal based Delivery System compounded with ketamine (the "**Novo Ketamine Cream**"), and that will be administered in two Hamilton area clinics.

The Novo Ketamine Cream Study hopes to determine how much Novo Ketamine Cream is absorbed in the bloodstream, metabolized, and excreted by the body when it is applied to the skin. The results of the Novo Ketamine Cream Study will help physicians understand how much ketamine is absorbed with each dose (1.2g of 10% ketamine cream, containing 120 mg of ketamine) that is applied. The efficacy, safety, and tolerability of Novo Ketamine Cream will be assessed through naturalistic observational studies at subcontracted clinics in the Greater Toronto Area. The outcome measures include a visual analogue pain scale, a measure of depressive symptom severity, a measure of anxiety, and standardized assessments of adverse events. The initial portions of the Novo Ketamine Cream Study will be completed in 2021. Upon completion of the Phase 1B Trials for the Novo Ketamine Cream Study, Novo may proceed with Health Canada Clinical Trial Applications to conduct Phase 2 Clinical Trials, which would be expected to occur solely at CRTCE Clinics.

Novo is also developing an intranasal formulation of racemic (mixed) ketamine ("**Novo IN Ketamine"**) for the treatment of depression and pain. Chemical and analytic stability tests are being conducted at McMaster University and MNK Recherches Inc. and will be completed in 2021. Upon finalizing applicable stability work, and before the end of 2021, Novo expects to commence a Phase 1B study (the "**Novo IN Ketamine Study**") upon receipt of Advarra Research and Ethics Compliance Board, or equivalent board or agency, approval. This study will determine how much IN ketamine is absorbed into the bloodstream, metabolized, and excreted by the body when it is applied to the nasal cavity and, secondarily, observing relief of depression.

Novo's work in developing the Delivery Systems is conducted in part by Dr. Joseph Gabriele (the "**Gabriele**"), under a consulting agreement entered into between Altmed, an affiliate of Novo, and Gabriele on May 15, 2020 (the "**Novo Consulting Agreement**"). Gabriele was a principal shareholder of Novo and a shareholder of AltMed. The Novo Consulting Agreement expires on May 15, 2022. Novo's ability to commercially exploit certain aspects of the Novo IP may in part be dependent on the continuance of the Novo Consulting Agreement or on Novo's ability to negotiate alternative commercial arrangements with Gabriele. Management believes that it will be able to negotiate such arrangements if required. If it does not do so, Novo's ability to achieve some of its objectives and to develop novel and innovative delivery systems for the pharmaceutical and nutraceutical industries may be constrained. See section entitled "Risk Factors".

Tassili Life Sciences

Tassili has a collaborative research agreement with the University of Miami's Miller School of Medicine (the "**Miami Research Agreement**").

Pursuant to the Miami Research Agreement with the University of Miami, Tassili is dosing rats and mice whom have been afflicted with a post-traumatic stress disorder or traumatic brain injury with PTSD a combination of psilocybin and CBD. The objective of the Tassili pre-clinical trials is to assess how the combination of psilocybin and CBD may mitigate the adverse effects of PTSD and a traumatic brain injury with PTSD. The psilocybin and CBD are dosed to animal subjects orally, using an oil-based carrier agent.

The contractual arrangements, pursuant to the Miami Research Agreement, provide that Tassili is responsible to fund clinical studies completed by University of Miami researchers. Tassili owns the intellectual property rights associated with the subject matter of the research agreement, as well as any data. The University of Miami would obtain and maintain all regulatory approvals required to conduct the research and retains the right to use the data for internal academic pursuits.

Under the terms of the Miami Research Agreement, Tassili is obligated to pay the University of Miami US $1,624,476 in five equal instalments of US $324,895.20 over a one year period starting 30 days from the agreement date of January 1, 2020. To date Tassili has paid the first instalment, accrued the next three (3) installments and is reviewing the performance of the University of Miami under the Miami Research Agreement prior to making any further installment payments. It has communicated to the University of Miami certain deficiencies in such performance and that Tassili will enforce its rights under the agreement, which may include termination. The parties are negotiating their respective positions under the agreement. In the event that Tassili is not able to resolve these outstanding matters it may not be able to fully exploit the terms or obtain the full benefit of the Miami Research Agreement. The Miami Research Agreement terminates on April 30, 2021. See the section entitled "*Risk Factors*".

4.3 Projects That Have Not Yet Generated Revenue

As of the date of this Listing Statement, Champignon's revenue has been derived primarily from the CRTCE Clinic in Mississauga, Ontario. The New Clinic is expected to commence generating revenue in Q1 2021. See *"Narrative Description of the Business – General Description – Clinics Providing Psychedelic-Assisted Therapy*".

It is anticipated that no near-term revenue will be generated from the Psilocybin Study, research involving NCEs, the Novo Ketamine Cream Study, the Novo IN Ketamine Study, or the Miami Research Agreement.

4.4 Principal Products and Services

The principal service that is provided by Champignon is ketamine treatment for adults with depression. Champignon utilizes evidence-based best practices and intends to become a global leader for ketamine enhanced psychotherapy and psychedelic-enhanced psychotherapy, enabling patients to more effectively and affordably address depression, anxiety, addiction and other conditions.

Available Funds, Business Objectives and Milestones

The following table sets out the total funds available funds of Champignon on a consolidated basis as at January 31, 2021, along with the principal purposes for which the Company expects such funds to be used:

Available Funds	
Estimated Working Capital on hand as at January 31, 2021(1)	$10,700,000
Principal Uses	
Expansion of New Clinics(2)	$3,500,000
Research and Development of IP(3)	$2,700,000
Launch CRTCE Academy	$100,000
Unallocated working capital and general corporate purposes(4)	$4,400,000
Total:	**$10,700,000**

Notes:

(1) Such estimated working capital reflects $1,250,868 (US$974,685) installment amounts accrued as current liabilities, but not yet paid as at the date of this Listing Statement, pursuant to the Miami Research Agreement.

(2) Over the next twelve months Champignon anticipates the establishment or acquisition of between 5 and 10 new clinics in Canada and the United States. Champignon estimates the cash cost to establish or acquire between 5 and 10 clinics to be $3,500,000.

(3) Champignon expects research and development costs over the next twelve months to be $2,700,000. These include $500,000 for the Phase 2 Clinical trials of the Psilocybin Study, $1,500,000 related to ongoing research and development of NCEs (including patent applications), $250,000 related to the development of new Delivery Systems (including the Novo Ketamine Cream Study and the Novo IN Ketamine Study) and $450,000 for other collaborative research and development activities, including the Miami Research Agreement final installment payment of US$324,895. See "*Research and Development of IP*".

(4) Champignon expects general corporate costs over the next twelve months to be for general and administrative costs required to support overall operations, sales activities, clinic operations and research and development. Champignon expects clinic operations to break even over the next twelve months.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to Champignon, those amounts allocated above may be increase in the discretion of Champignon. The actual amount that Champignon spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under "*Risk Factors*" below. However, it is anticipated that the available funds will be sufficient to satisfy Champignon's objectives over the next 12 months.

Patient Acquisition

Champignon's planned expansion is contingent upon its patient member growth. Thus, its patient acquisition strategy is a critical component of its future success.

Champignon markets and promotes itself to community physicians, as they are the individuals who most frequently provide the patient referrals. It focuses on the education of physicians via its website and through marketing materials, and expects to increase such efforts through the CRTCE Academy.

In addition to traditional public relations activities, Champignon has a number of marketing plans and strategies designed to build brand awareness and community around psychedelic therapy opportunities, including the publication and presentation of research.

Specialized Skill and Knowledge

Champignon is led by CEO Dr. Roger S. McIntrye, MD, FRCPC, widely regarded as one of the world's most recognized psychiatrists in relation to depression and associated mood disorders, as instantiated by Clarivate Analytics, as well as Expertscape.ca.[12] The CRTCE Clinics are staffed by trained psychiatrists, anesthesiologists, registered nurses, pharmacists and medical researchers. In Ontario, physicians working in medical clinics are regulated by the College of Physicians and Surgeons of Ontario, via the *Regulated Health Professions Act, 1991* (Ontario) and the *Medicine Act, 1991* (Ontario).

See also "*Management*" below for full biographies of key personnel.

Intellectual Property

Champignon has developed proprietary processes, including its clinical techniques. While exploring the patentability of these techniques and processes, Champignon relies on non-disclosure and confidentiality arrangements, as well as trade secret protection.

Champignon maintains strict standards and operating procedures regarding its intellectual property, including the standard use of non-disclosure, confidentiality, and intellectual property assignment agreements.

Trademarks

Champignon does not have any have any registered trademark protection in Canada or the United States but intends to seek such protection within the next six months. For additional details on the risks associated with the lack of trademark protection, please see "*Risk Factors – Intellectual Property*."

Patents

Tassili has two International Patent Cooperation Treaty (PCT) patent applications pending with respect to psilocybe-derived agents as set forth below:

WIPO (PCT) Patent Appln No. CA2020/051040

Title: CONTROLLED RELEASE FORMULATIONS OF MULTIPLE ACTIVE PHARMACEUTICAL AGENTS, AND PSILOCYBE-DERIVED AGENTS IN COMBINATION WITH CANNABIS-DERIVED AGENTS AND METHODS FOR THEIR USE

Description: This PCT application was filed July 29, 2020, claiming priority to US 62/880,269, filed July 30, 2019, and US 62/88,0271, filed July 30, 2019. The International Search Report and Written Opinion issued on October 9, 2020. The deadline to file the optional Article 34 PCT amendments and a Demand was February 28, 2021. The Company chose not to file Article 34 PCT amendments and a Demand and is not prejudiced thereby. The 30-month deadline to enter the National Phase in all those PCT contracting states/countries of interest is January 30, 2022.

WIPO (PCT) Patent Appln No. CA2020/051371

Title: CONTROLLED RELEASE FORMULATIONS OF PSILOCYBE-DERIVED AGENTS AND METHOD FOR THEIR USE, AND METHODS AND COMPOSITIONS FOR THREATING MILD TRAUMATIC BRAIN INJURY WITH POST TRAUMATIC STRESS DISORDER.

Description: This PCT application was filed on October 14, 2020, claiming priority to US 62/915,092, filed on October 15, 2019, and US 62/924,434, filed on October 22, 2019. The International Search Report and Written Opinion issued on December 24, 2020. The deadline to file the optional Article 34 PCT amendments and a Demand is August 15, 2021. The 30-month deadline to enter the National Phase in all those PCT contracting states/countries of interest is April 15, 2022.

[12] https://publons.com/researcher/1786366/roger-mcintyre/; https://clarivate.com/webofsciencegroup/researcher-recognition/; https://expertscape.com/au/depression/McIntyre%2C+R; and https://expertscape.com/au/bipolar+disorder/McIntyre%2C+Roger

Cyclical or Seasonal Impacts

The business of psychedelic therapy and patient services is neither cyclical nor seasonal. Patient demand is based on medical need and this need is not a factor of season or markets. However, the business is subject to physician availability and the acceptance in the medical community of ketamine and other psychedelic substances as effective treatments for depression, PTSD, addiction, and other mental health conditions.

Environmental Protections

Champignon's business does not materially impact environmental conditions. Champignon does not expect that there will be any financial or operational effects as a result of environmental protection requirements on its capital expenditures, profit or loss, or its competitive position in the current fiscal year or in future years.

Employees and Consultants

Currently, there are six affiliated psychiatrists, and 50 consulting staff working at the CRTCE Clinics, including anesthesiologists, registered nurses, pharmacists and researchers. The affiliated psychiatrists work on contract and receive remuneration via their billings for patient visits from the Ontario Health Insurance Plan.

Competitive Conditions

Champignon's sales and marketing efforts are focused mainly on driving Company awareness and educational activities.

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. Champignon's current business plan is the establishment of a North American chain of ketamine-enhanced psychotherapy and psychedelic-enhanced psychotherapy clinics. Champignon expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, Champignon expects to compete with other similar businesses as well as with individual medical professionals who undertake the prescribing and supervising of psychedelics to their patients. While Champignon was an early entrant to the ketamine-enhanced psychotherapy market in Canada, other market participants have emerged. Champignon expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Champignon.

There are several companies operating clinics that focus on implementing psychedelic-enhanced therapies and treatments. Champignon has identified the following companies that operate in its trading area:

Competitor	Locations	Exchange	Description of Business
Field Trip Health, Inc.	Clinics are located throughout North America including: Toronto, New York, Los Angeles, Chicago and Atlanta.	Canadian Securities Exchange	Field trip is in the business of psychedelic drug development and operating psychedelic therapy clinics.
Numinus Wellness Inc.	Clinics are located in Canada in Vancouver and Montreal.	TSX Venture Exchange	Numinus is focused on the production, research and distribution of psychedelic compounds and mental health therapies.

Regulatory Overview

Regulatory Restrictions on Branding

Colleges in Canada and Medical Boards in the United States impose certain restrictions on their members' ability to conduct marketing and advertising activities.

Regulation of Advertising

Regulated professions in Canada and the United States, including physicians, psychotherapists, psychologists, and nurses, are subject to certain restrictions and requirements concerning advertising or soliciting patients. The restrictions vary by jurisdiction and profession. Champignon intends to rely primarily upon word of mouth and referrals from qualified and regulated professional with respect to its patient acquisition and therefore does not expect to conduct any advertising or soliciting of patients.

Clinical Operations

Champignon's clinical operations are currently limited to Ontario, Canada. However, the Company is continually evaluating the expansion of its Clinics into new jurisdictions, including the United States and Europe.

The Canadian and United States federal governments regulate drugs through the CDSA and the CSA, respectively, which place controlled substances in a schedule. Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. Under the CSA, ketamine is currently a Schedule III drug as well as being listed under the associated Narcotic Control Regulations, and psilocybin is currently a Schedule I drug.

Health Canada and the FDA have not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances without a prescription.

In both Canada and the United States, the applicable federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs such as ketamine and other psychedelic substances, whether natural or novel.

Each jurisdiction of Canada mandates the requirements for the Clinics and the conduct of medical professionals therein. While the treatments that occur at the Clinics are novel in some respects, the prescription of ketamine and the dispensing of ketamine are not novel and are subject to the same restrictions as would apply to any medical professional who prescribes other controlled substances to its patients. There are no special licenses, permits, authorizations or approvals required that are different from any other ordinary course approvals required by applicable governmental authorities for any medical clinic.

The Ontario government has authority over the delivery of health care services, including regulating health facilities, administering health insurance plans distributing prescription drugs within the province, and regulating health professionals such as doctors, psychologists, psychotherapists and nurse practitioners. The table below includes a summary of the laws applicable to Champignon's business that it operates in Ontario, Canada and it expects to operate in Quebec, Canada.

As of the date hereof, each of the medical professionals working at the Clinics are in good standing with the applicable regulatory body that governs such medical professional.

Province / State	Medical Professional	Governing Law	Regulatory Bodies
Ontario	Medical Doctors	*Regulated Health Professions Act, 1991* (Ontario) ("**RPHA**"), *Medicine Act, 1991* (Ontario)	College of Physicians and Surgeons of Ontario
	Psychologists	RPHA, *Psychology Act, 1991* (Ontario)	College of Psychologists of Ontario
	Nurses	RPHA, *Nursing Act, 1991* (Ontario)	College of Nurses of Ontario
	Psychotherapists	RPHA, *Psychotherapy Act, 2007* (Ontario)	College of Registered Psychotherapists of Ontario, CPSO, CPO, CNO, College of Occupational Therapists of Ontario, or Ontario College of Social Workers and Social Service Workers
	Respiratory therapist	*Respiratory Therapy Act, 1991* (Ontario)	College of Respiratory Therapists of Ontario
Quebec	Medical Doctors	Professional Code, RSQ, c C-26 Medical Act, RSQ, c M-9	Collège des médecins du Québec
	Psychologists	Professional Code, RSQ, c C-26	Ordre professionnel des psychologues du Québec
	Nurses	Professional Code, RSQ, c C-26 Nurses Act, RSQ, c I-8	Ordre professionnel des infirmières et infirmiers du Québec
	Psychotherapists	Professional Code, RSQ, c C-26	Ordre professionnel des conseillers et conseillères d'orientation du Québec Ordre professionnel des psychologues du Québec
	Respiratory Therapists	Professional Code, RSQ, c C-26	Ordre professionnel des inhalothérapeutes du Québec

Champignon's business is also governed by laws pertaining to handling, use and protection of personal health information, including the *Personal Health Information Protection Act* (Ontario). These laws and related regulations grant a number of rights to individuals as to their personal health information and restrict the use and disclosure of such information. Champignon has in place privacy practices designed to comply with these requirements and ensures that service providers having access to personal health information have entered into agreements that include appropriate protective clauses, including business associate agreements where applicable.

5. Selected Consolidated Financial Information

5.1 Annual Information

The following tables set out selected annual financial information of Champignon:

	For the interim six months ended September 30, 2020 (unaudited)	For the interim six months ended March 31, 2020 (restated - unaudited)	For the period from March 26, 2019 (the date of incorporation) to September 30, 2019 (audited)
Income (loss) and comprehensive income (loss):			
(i) total for the year/period	($84,691,473)	($16,470,813)	($172,723)
(ii) total per share	($0.60)	($0.65)	($0.02)
Total assets	$21,073,101	$2,309,898	($1,160,474)
Total current liabilities	$1,113,022	$100,549	($53,263)
Total long-term financial liabilities	$nil	$nil	$nil
Cash dividends declared	$nil	$nil	$nil

5.2 Quarterly Information

The following tables set out selected quarterly financial information of Champignon:

	For the three months:			
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Income (loss) and comprehensive income (loss):				
(i) total for the period	($2,052,580)	($82,763,953)	($16,329,497)	($148,487)
(ii) total per share	($0.01)	($0.77)	($0.54)	($0.01)
Total assets	$21,073,101	$22,488,095	$2,309,898	$1,109,632
Total current liabilities	$1,113,022	$633,562	$100,559	$60,908
Total long-term financial liabilities	$nil	$nil	$nil	$nil
Cash dividends declared	$nil	$nil	$nil	$nil

See also Champignon Financial Statements attached to this Listing Statement as Schedule “A”.

5.3 Dividends

Champignon Shares carry the right to a dividend. Champignon has not declared distributions on Champignon Shares. Any future payment of dividends will depend on the financing requirements and financial condition of Champignon and other factors which Champignon Board, in its sole discretion, may consider appropriate and in the best interests of Champignon.

Under the BCBCA, Champignon is prohibited from declaring or paying dividends if there are reasonable grounds for believing that Champignon is insolvent or the payment of dividends would render Champignon insolvent.

5.4 Foreign GAAP

This Item does not apply to Champignon.

6. Management's Discussion and Analysis

Certain MD&A of Champignon, AltMed Capital and CRTCE have been attached to this Listing Statement, as follows. In each case, MD&A should be read in conjunction with the respective financial statements.

- Champignon's MD&A for the six months ended March 31, 2020 and for the six months ended September 30, 2020 are attached to this Listing Statement as Schedule "B", and should be read in conjunction with Champignon Financial Statements for the six months ended March 31, 2020 and for the six months ended September 30, 2020 attached to this Listing Statement as Schedule "A".

- AltMed Capital's MD&A for the period from September 9, 2019 (the date of incorporation) to March 31, 2020 is attached to this Listing Statement as Schedule "D", and should be read in conjunction with the AltMed Capital Financial Statements for the period from September 9, 2019 (the date of incorporation) to March 31, 2019 attached to this Listing Statement as Schedule "C".

- CRTCE's MD&A for the year ended November 30, 2019 and the three months ended February 29, 2020 are attached to this Listing Statement as Schedule "F", and should be read in conjunction with the CRTCE Financial Statements for the year ended November 30, 2019 and the three months ended February 29, 2020 attached to this Listing Statement as Schedule "E".

Other than as disclosed under "*General Development of the Business*" or elsewhere in this Listing Statement, Champignon has not entered into any other definitive agreements for the proposed acquisition or disposition of an asset or business that would be expected to have a material effect on the financial condition, results of operations and cash flows of Champignon.

7. Market for Securities

Champignon is a reporting issuer in British Columbia, Alberta and Ontario.

Champignon Shares are listed on the CSE under the symbol "SHRM" and on the OTCQB under the symbol "SHRMF". Trading of Champignon Shares were halted on the CSE on June 23, 2020.

8. Consolidated Capitalization

The following table summarizes the consolidated capitalization of Champignon.

Designation of Security	Authorized	Outstanding
Champignon Shares	Unlimited	177,290,212 (1)
Champignon Preferred Shares	Unlimited	nil
Champignon Options	17,729,021 (2)	8,400,000
Founder Warrants	3,000,000	3,000,000
Pre-IPO Financing Warrants	450,000	450,000
IPO Agent Warrants	296,790	296,790
AltMed Consideration Warrants	1,900,000	1,900,000
Financing Warrants	8,823,747	8,823,747
Financing Broker Warrants	1,235,326	1,235,326

Notes:

(1) Certain Champignon Shares are subject to escrow conditions as required by applicable CSE requirements and contractual arrangements. See "*Escrowed Securities*" set forth below. The outstanding number of Champignon Shares does not reflect the effects of the Cancellation which has not yet been completed.

(2) The authorized amount of Champignon Options reflects 10% of the issued and outstanding Champignon Shares at the closing of the Amalgamation. The authorized amount of Champignon Options is subject to change as the number of issued and outstanding Champignon Shares varies. See a description of the Option Plan set forth below under the heading "*Options to Purchase Securities*".

The following table summarizes the consolidated capitalization of AltMed Capital prior to the Amalgamation with Newco on April 30, 2020.

Designation of Security	Authorized	Outstanding
AltMed Capital Shares	Unlimited	37,837
AltMed Capital Preferred Shares	Unlimited	nil
AltMed Capital Warrants	1,050	1,050

Notes:

9. Options to Purchase Securities

The Champignon Board adopted the Option Plan on October 15, 2019.

The purpose of the Option Plan is to advance the interests of Champignon by encouraging the directors, officers, employees, management and consultants of Champignon, and of its subsidiaries and affiliates, if any, to acquire Champignon Shares, thereby increasing their proprietary interest in Champignon, encouraging them to remain associated with Champignon and furnishing them with additional incentive in their efforts on behalf of Champignon in the conduct of its affairs. The Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance will be 10% of the number of Champignon Shares issued and outstanding at the time such options are granted. The Option Plan is administered by the Champignon Board, which has full and final authority with respect to the granting of all Champignon Options thereunder.

Champignon Options may be granted under the Option Plan to such directors, officers, employees, management or consultants of Champignon and its affiliates, if any, as the Champignon Board may from time to time designate. The exercise price of Champignon Option grants will be determined by the Champignon Board, but must be no less than the greater of the closing market price of Champignon Shares on the CSE on the trading day prior to the date of the grant of the option and the date of the grant. The Option Plan provides that the number of Champignon Shares that may be reserved for issuance to any one individual upon exercise of all Champignon Options held by such individual may not exceed 5% of the issued Champignon Shares, if the individual is a director, officer, employee or consultant, or 1% of the issued Champignon Shares, if the individual is engaged in providing investor relations services, in a twelve month basis, unless disinterested shareholder approval is obtained. All Champignon Options granted under the Option Plan will expire not later than the date that is ten years from the date that such Champignon Options are granted. Champignon Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Champignon Options granted under the Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

The above summary of the Option Plan is qualified in entirety to the actual text of the Option Plan, a copy of which has been filed under Champignon's profile at www.sedar.com.

As of the date of this Listing Statement, Champignon Options exercisable for up to 8,400,000 Champignon Shares have been granted and not exercised, representing approximately 4.74% of the outstanding Champignon Shares.

The following table sets out Champignon Options as of the date of this Listing Statement:

Category	Number of Champignon Options	Exercise Price	Expiry Date
Executive officers of Champignon, as a group (including former officers)	400,000 3,750,000	0.22 0.99	March 2, 2022 May 11, 2025
Directors (who are not also executive officers) of Champignon, as a group	100,000	0.22	March 2, 2022
Other employees of Champignon, as a group	nil	N/A	N/A
Consultants of Champignon, as a group (including former consultants)	2,600,000 800,000 600,000 150,000	0.22 0.35 0.495 1.69	March 2, 2022 March 25, 2022 March 30, 2022 June 1, 2022
Total	8,400,000		

10. Description of the Securities

10.1 General

The authorized share capital of Champignon consists of an unlimited number of Champignon Shares and an unlimited number of Champignon Preferred Shares.

Champignon does not have any securities other than Champignon Shares listed on the CSE. Other than has been stated elsewhere in this Listing Statement, there are no provisions as to modification, amendment or variation of any rights attached to Champignon Shares. The rights attaching to Champignon Shares are not limited by any other class of securities of Champignon. Champignon has no rights to redeem or repurchase Champignon Shares other than as set forth herein.

This summary of the rights attached to Champignon Shares is qualified in its entirety by reference to the full provisions of the same which are to be set out in the articles of incorporation of Champignon. Reference should be made to the full provisions of Champignon Shares contained in the articles of incorporation of Champignon for complete details of the rights and restrictions to be attached to Champignon Shares.

Champignon Shares

Subject to the BCBCA, the holders of Champignon Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Champignon and each Champignon Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of Champignon. The holders of Champignon Shares, subject to the prior rights, if any, of any other class of shares of Champignon, are entitled to receive such dividends in any financial year as Champignon Board may by resolution determine. The Champignon Board may at any time declare and authorize the payment of such dividends exclusively to the registered holders of Champignon Shares without declaring any corresponding dividends to the registered holders of Champignon Preferred Shares. In the event of the liquidation, dissolution or winding-up of Champignon, whether voluntary or involuntary, the holders of Champignon Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Champignon, the remaining property and assets of Champignon. Champignon Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Champignon Preferred Shares

Subject to the BCBCA, the holders of Champignon Preferred Shares are not entitled to receive notice of and not entitled to vote at all meetings of the shareholders of Champignon. The preferred shares may include one or more series of shares. The registered holders of Champignon Preferred Shares are entitled to receive dividends if and when declared by the Champignon Board out of the funds or assets of Champignon properly applicable to the

payment of dividends. The Champignon Board may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the preferred shares without declaring any corresponding dividends to the registered holders of Champignon Shares. In the event of the liquidation, dissolution or winding up of Champignon or other distribution of the assets of Champignon among its members for the purpose of winding up the affairs of Champignon, whether voluntary or involuntary, the registered holders of Champignon Preferred Shares shall be entitled to receive the amount paid up with respect to each Champignon Preferred Share together with an amount equal to all declared and unpaid dividends on such shares in priority of Champignon Shares. After payment to the registered holders of Champignon Preferred Shares of the amount payable to them as provided for above, they shall not, as such, be entitled to share in any further distribution of the property or assets of Champignon. Champignon Preferred Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

10.2 Debt Securities

This Item does not apply to Champignon.

10.3 Other Securities

This Item does not apply to Champignon.

10.4 Modification of Terms

This Item does not apply to Champignon.

10.5 Other Attributes

This Item does not apply to Champignon.

10.6 Prior Sales

The following table summarizes the issuances of securities of Champignon in the 12 months prior to this Listing Statement:[1]

Issue Date	Description	Number of Champignon Shares	Price Per Champignon Share / Exercise Price
February 28, 2020	Issued as part of the IPO	18,916,667	$0.15
March 17, 2020	Issued pursuant to the Artisan Agreement	8,000,000	Deemed price of $0.27 Fair value price of $0.29
March 17, 2020	Issued in connection with the acquisition of Artisan	800,000	Finder's fee
March 20, 2020	Issued pursuant to the Novo Agreement	12,500,000	Deemed price of $0.2475 Fair value price of $0.35
March 20, 2020	Issued in connection with the Novo Agreement	1,000,000	Finder's fee
March 30, 2020	Issued pursuant to the Tassili Agreement	16,000,001	Deemed price of $0.28 Fair value price of $0.365

[1] In addition to the above, in March 2021, certain of the Company Shareholders agreed to the voluntary cancellation of 9,780,000 Champignon Shares for no consideration.

March 30, 2020	Issued in connection with the Tassili Agreement	1,500,000	Finder's fee
March 31, 2020	Exercise of IPO Agent Warrants	21,324	$0.30
March 31, 2020	Exercise of IPO Agent Warrants	18,940	$0.30
March 31, 2020	Exercise of IPO Agent Warrants	252,500	$0.30
April 3, 2020	Repurchased through NCIB	(725,000)	$(0.49)
April 3, 2020	Exercise of IPO Agent Warrants	247,077	$0.30
April 6, 2020	Exercise of IPO Agent Warrants	93,334	$0.30
April 6, 2020	Exercise of Pre-IPO Financing Warrants	50,000	$0.15
April 7, 2020	Exercise of IPO Agent Warrants	273,032	$0.30
April 8, 2020	Exercise of IPO Agent Warrants	62,109	$0.30
April 8, 2020	Exercise of Pre-IPO Financing Warrants	1,250,000	$0.15
April 13, 2020	Repurchased through NCIB	(475,000)	$(0.46)
April 13, 2020	Exercise of IPO Agent Warrants	78,545	$0.30
April 13, 2020	Exercise of Champignon Options	100,000	$0.22
April 16, 2020	Exercise of Pre-IPO Financing Warrants	50,000	$0.15
April 17, 2020	Repurchased through NCIB	(35,500)	$(0.45)
April 24, 2020	Exercise of Pre-IPO Financing Warrants	300,000	$0.15
April 28, 2020	Exercise of Pre-IPO Financing Warrants	500,000	$0.15
April 30, 2020	Issued pursuant to the Amalgamation Agreement	75,674,000	Deemed price of $0.688 Fair value price of $0.85
April 30, 2020	Issued in connection with the Amalgamation	2,000,000	Finder's fee
April 30, 2020	Exercise of IPO Agent Warrants	15,000	$0.30
May 4, 2020	Exercise of IPO Agent Warrants	90,317	$0.30
May 13, 2020	Exercise of IPO Agent Warrants	22,483	$0.30
May 14, 2020	Exercise of Pre-IPO Consideration Warrants	300,000	$0.15
May 26, 2020	Exercise of IPO Agent Warrants	3,864	$0.30
May 26, 2020	Exercise of IPO Agent Warrants	18,018	$0.30
June 1, 2020	Exercise of AltMed Consideration Warrants	100,000	$0.25
June 2, 2020	Exercise of AltMed Consideration Warrants	100,000	$0.25
June 11, 2020	Bought Deal Private Placement	17,647,500	$0.85
June 16, 2020	Exercise of IPO Agent Warrants	20,000	$0.30

The following table summarizes the issuances of securities of AltMed Capital in the 12 months prior to this Listing Statement:

Issue Date	Description	Number of AltMed Capital Shares	Price Per AltMed Capital Share / Exercise Price
February 20, 2020	AltMed Capital Share purchase warrants	1,050	$500
February 28, 2020	Private Placement of AltMed Capital Shares	782	$500
March 11, 2020	Private Placement of AltMed Capital Shares	2,667	$300
March 12, 2020	Private Placement of AltMed Capital Shares	2,110	$500
March 16, 2020	Private Placement of AltMed Capital Shares	470	$500
March 20, 2020	Private Placement of AltMed Capital Shares	740	$500
April 3, 2020	Altmed Capital Shares issued pursuant to exercise of share purchase warrants	4,000	$0.001
April 6, 2020	Private Placement of AltMed Capital Shares	290	$500
April 29, 2020	AltMed Capital Shares pursuant to the CRTCE Acquisition	10,455	Deemed price of $500 Fair value price of $500

10.7 Stock Exchange Price

The following table sets forth the trading prices and volumes of Champignon Shares on the CSE. On June 22, 2020, Champignon Shares trading on the CSE were halted pursuant to BCSC Order 228.

Period	High	Low	Volume
February 27, 2020 to March 31, 2020[(1)]	$0.62	$0.18	52,813,459
April 1, 2020 to June 19, 2020[(2)]	$2.40	$0.55	131,954,240
June 22, 2020 to present[(2)]	N/A	N/A	Nil

Notes:
(1) Champignon's Champignon Shares commenced trading on the CSE on March 2, 2020.
(2) On June 22, 2020, Champignon's Champignon Shares trading on the CSE were halted pursuant to BCSC Order 228. The last trading day of Champignon's Champignon Shares prior to the halt was June 19, 2020.

11. Escrowed Securities and Securities Subject to Restriction on Transfer

The following table sets forth the securities of the Company held in escrow or subject to restriction on transfer as of the date of this Listing Statement:

Designation of Class	Number	Percentage of class
Champignon Shares	13,582,401[(1)(2)]	8%[(3)]
Founder Warrants	1,800,000[(1)]	60%[(4)]

Notes:

(1) 2,250,001 of such Champignon Shares and all of such Founder Warrants are held by, and are subject to the terms of an escrow agreement (the "**IPO Escrow Agreement**") entered into in accordance with the terms of NP 46-201 and dated February 5, 2020, among Champignon, NSA as escrow agent, and Gareth Birdsall. As Champignon was an "emerging issuer" as defined in NP 46-201, 450,000 Champignon Shares and 450,000

Founder Warrants will be released on each of August 27, 2021 and February 27, 2022; 450,001 Champignon Shares and 450,000 Founder Warrants will be released on August 27, 2022; and 450,000 Champignon Shares and 450,000 Founder Warrants will be released on February 27, 2023.

(2) 23,564,800 of such Champignon Shares are held by former AltMed Capital Shareholders who purchased their AltMed Capital Shares for less than $300 per share. The Champignon Shares issued to such former AltMed Capital Shareholders were issued subject to voluntary resale restrictions under the Amalgamation Agreement (the "**Voluntary Resale Restrictions**"). 11,782,400 of such Champignon Shares will be released from Voluntary Resale Restrictions on April 25, 2021.

(3) Calculated based off of 177,290,212 Champignon Shares issued and outstanding as of the date of this Listing Statement, which excludes the effects of the Cancellation that has not yet been completed.

(4) Calculated based off 3,000,000 Founder Warrants that are issued and outstanding as of the date of this Listing Statement.

See "*Capitalization*" below.

12. Principal Shareholders

As of the date of this Listing Statement, no person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of Champignon (being solely Champignon Shares) carrying more than 10% of the voting rights attached to any class of voting securities of Champignon.

Immediately prior to the Amalgamation on April 30, 2020, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of AltMed Capital (being solely the AltMed Capital Shares) carrying more than 10% of the voting rights attached to any class of voting securities of AltMed Capital:

Name and Jurisdiction of Residence	Number of AltMed Capital Shares	Percentage of AltMed Capital Shares
Dr. Roger McIntyre Ontario, Canada	7,319	19.3%
Jeffrey Wolburgh Ontario, Canada	3,900	10.4%
Anthony Wilshere Mexico	3,867	10.3%

13. Directors and Officers

13.1 Directors and Officers

As of the date of this Listing Statement, the board of directors and executive officers of Champignon are comprised of the following six persons: Dr. Roger McIntyre (Chief Executive Officer and director), Stephen R. Brooks (Chief Financial Officer), Peter Rizakos (General Counsel), Matt Fish (President and director), Olga Cwiek (director) and Jerry Habuda (director).

The following table sets forth certain information regarding the individuals who serve as directors and executive officers of Champignon (and its material subsidiaries), including their place of residence, age, status as independent or non-independent, each director's principal occupation, business or employment for the past five years and the number of Champignon Shares beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction.

Name, Position and Residency	Principal Occupation or Employment During the Past 5 Years[1]	Date appointed Director (and expiry)	Champignon Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed[2]
Stephen R. Brooks[3] CFO Toronto, Ontario	CFO, Champignon (Jan 2021 – Current) CFO, 1Wondr Gaming Corporation (Oct 2020 – Current) CFO, ONroute (October 2019 – Mar 2020) CFO, Sim International (Aug 2017 – May 2019) CFO, Ottawa Senators NHL (Aug 2016 – Aug 2017) SVP Business Operations,Toronto Blue Jays and Rogers Center (Jan 2011 – Apr 2016)	N/A	Nil
Matt Fish[3][4] President, Secretary and Director Toronto, Ontario	Lawyer, Fish LPC	August 19, 2019	Nil
Jerry Habuda[4][5] Director Toronto, Ontario	Retired	August 19, 2019	Nil
Dr. Roger McIntyre[3] CEO, Director Toronto, Ontario	CEO, Champignon (May 2020 – Current) CEO, CRTCE (May 2020 – Current) Head of the Mood Disorders Psychopharmacology Unit at the University Health Network (July 2002 – Current)	July 22, 2020	14,638,000 (8.26%)

Name, Position and Residency	Principal Occupation or Employment During the Past 5 Years[1]	Date appointed Director (and expiry)	Champignon Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed[2]
Peter Rizakos[3] General Counsel Toronto, Province	General Counsel, Champignon (Jan 2021 – Current) President and CEO, Cline Mining Corp. (June 2018 – Current) President and CEO, Marret Resource Corp. (Jan 2014 – Dec 2018)	N/A	Nil
Olga Cwiek[4][5] Director Port Hope, Ontario	Chairperson and President, Capital Theatre for the Performing Arts	February 1, 2021	Nil
Kevin Kratiuk Vice President, Operations, CRTCE	Vice President, Operations, CRTCE (July 2018 – Current) Pharmacist, KJK Pharmacy (June 2017 Current) Pharmacist, Shoppers Drug Mart (July 2016-June 2017)	N/A	4,182,000 (2.36%)

Notes:
(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of Champignon and has been furnished by the respective individuals.
(2) As of the date of the Listing Statement.
(3) Each of the officers have signed employment agreements with standard non-solicitation and non-disclosure terms.
(4) Member of the Audit Committee.
(5) Independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Prior to the Amalgamation with Champignon on April 30, 2020, the board of directors and executive officers of AltMed Capital (and its material subsidiaries) was comprised of the following four persons: Dr. Roger McIntyre (Chief Executive Officer, CRTCE), Kevin Kratiuk, (VP Operations, CRTCE), Rona-Joanne Rafal (Director, AltMed Capital) and Christopher Hobbs (Chief Financial Officer, AltMed Capital).

The following table sets forth certain information regarding the individuals who served as directors and executive officers of AltMed Capital prior to the completion of the Amalgamation, including their place of residence, age, status as independent or non-independent, each director's principal occupation, business or employment for the past five

years and the number of AltMed Capital Shares beneficially owned by each director, directly or indirectly, or over which each director exercised control or direction.

Name, Position and Residency	Principal Occupation or Employment During the Past 5 Years[1]	Date appointed Director (and expiry)	AltMed Capital Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed[2]
Dr. Roger McIntyre CEO, CRTCE Toronto, Ontario	CEO, CRTCE (May 2020 – Current) Head of the Mood Disorders Psychopharmacology Unit at the University Health Network (July 2002 – Current)	N/A	7,319 (19.3%)
Christopher Hobbs (Chief Financial Officer) Oakville, Ontario	Chief Financial Officer and Corporate Director	N/A	1,133 (3.0%)
Rona-Joanne Rafal (Director)	Administrative Support	September 9, 2019 to April 30, 2020	1 (0.0%)
Kevin Kratiuk Vice President, Operations, CRTCE	Vice President, Operations, CRTCE (July 2018 – Current) Pharmacist, KJK Pharmacy (June 2017 Current) Pharmacist, Shoppers Drug Mart (July 2016-June 2017)	N/A	2,091 (5.6%)

Notes:
(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of Champignon and has been furnished by the respective individuals.
(2) As of the date of April 30, 2020.

13.2 Director Term of Office

The directors of Champignon will hold office until the next annual general meeting of Champignon Shareholders or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of Champignon or within the provisions of the BCBCA.

13.3 Securities Owned by Directors and Officers

As of the date of this Listing Statement, the directors and officers of Champignon, as a group, beneficially owned, directly or indirectly, an aggregate 18,820,000 Champignon Shares representing 10.62% of the (non-diluted) issued and outstanding Champignon Shares and an aggregate 3,950,000 Champignon Options.

13.4 Committee Composition

Champignon has one committee: the Audit Committee. The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and Champignon Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Audit Committee's Charter

The text of the Audit Committee's charter is set out on Schedule "G" attached to this Listing Statement.

Composition of the Audit Committee

The members of the Audit Committee are Jerry Habuda, Olga Cwiek (Chair) and Matt Fish. Jerry Habuda and Olga Cwiek are not executive officers of Champignon and, therefore, are independent members of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with Champignon. A material relationship means a relationship which could, in the view of Champignon Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate (as described in section 1.6 of NI 52-110) if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Champignon.

Relevant Education and Experience of Audit Committee members

For a description of relevant experience for Jerry Habuda, Olga Cwiek and Matt Fish, see "*Management"*, below.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by Champignon to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Champignon's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Mr. Habuda is a retired officer of the Toronto Police Department where he served for 35 years in various capacities including with special squads combating gang, drug and gun problems. He serves on the board of two public companies, Agra Flora Organics International Inc., where he is also a member of the audit committee, and Plant & Company Brands Ltd. He is a former director of Sire Bioscience Inc., where he also served on the audit committee.

Mr. Fish is a practicing securities lawyer focused on technology and life sciences and natural resource issuers. He has extensive experience with respect to public companies, capital markets and other facets fundamental to the life sciences sector. Mr. Fish's focuses on advising public companies on corporate and securities law matters including regulatory compliance, stock exchange listings and risk management. Mr. Fish acts as officer and director to other publicly held companies.

Ms. Cwiek is an experienced executive, having had various board and governance roles, including as a member of the Finance and the HR and Governance Committees of the Board of Directors of the Homewood Corporation overseeing its subsidiaries which included Homewood Health Centre. She also served in the senior management of English Television and Radio at CBC as Director of Human Resources and then Business Affairs and as Vice-President of Human Resources and Business Affairs at CTV Television. In these positions, Ms. Cwiek oversaw legal staff, led contract negotiations with talent, program producers and broadcast unions and led TV program acquisitions in Hollywood, New York, Toronto, Montreal, Vancouver, and London, England. She is currently the Chairperson and President of the Capital Theatre for the Performing Arts in Port Hope, Ontario.

Reliance on Certain Exemptions

Except as disclosed herein, at no time since the commencement of Champignon's most recently completed financial year has Champignon relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Audit Committee Oversight

At no time since the commencement of Champignon's most recently completed financial year has the audit committee made any recommendations to Champignon Board to nominate or compensate its auditor which were not adopted by Champignon Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of Champignon must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

External Auditor Service Fees (By Category)

The aggregate fees billed by Champignon's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit-Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
March 31, 2020[(5)]	$14,000	$nil	$nil	$nil
September 30, 2019[(6)]	$19,000	$nil	$900	$nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Champignon's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed amalgamations, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities. For the fiscal period ended September 30, 2019, "Tax Fees" related to the preparation of a 2019 corporate tax return.

(4) "All Other Fees" include all other non-audit services.

(5) In connection with the Amalgamation, Champignon changed its year-end from September 30, 2020 to March 31, 2020, being that of AltMed Capital.

(6) Period from incorporation of Champignon to September 30, 2019.

Exemption

Champignon is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting* Obligations) of that instrument.

13.5 Director and Officer Occupations

See the table in Section 13 – "*Directors and Officers"* for a description of the directors' and officers' occupations.

13.6 Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director, officer, promoter or other member of management of Champignon or AltMed Capital is, or within the ten years prior to the date of this Listing Statement has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied Champignon access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or had a receiver manager or trustee appointed to hold the assets of that director, officer or promoter:

- On June 19, 2020, the BCSC issued BCSC Order 228 against Champignon. Pursuant to BCSC Order 228, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading of securities of Champignon cease until (i) Champignon filed business acquisition reports for each of its acquisitions of Artisan, Novo and Tassili; and (ii) the BCSC revoked BCSC Order 228. On August 26, 2020, the BCSC issued BCSC Order 344 which revoked BCSC Order 228, after Champignon had filed business acquisition reports for each of its acquisitions of Artisan, Novo and Tassili.

- Concurrent with BCSC Order 344, on August 26, 2020, the BCSC issued BCSC Order 345 against Champignon. Pursuant to BCSC Order 345, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading of securities of Champignon cease until (i) Champignon filed a Form 51-102F3 for the Amalgamation that constituted a Reverse Takeover by AltMed Capital; and (ii) the BCSC revoked BCSC Order 345. BCSC Order 345 has not been revoked as of the date of this Listing Statement.

- On October 27, 2020, the BCSC issued BCSC Order 441 against Champignon. BCSC Order 441 noted that Champignon had not filed (i) an interim financial report for the period ended June 30, 2020; (ii) an interim MD&A for the period ended June 30, 2020; and (iii) a certification of interim filings for the period ended June 30, 2020. Pursuant to BCSC Order 441, and with a limited exception for certain beneficial shareholders, the BCSC ordered that all trading cease in respect of each security of Champignon. BCSC Order 441 has not been revoked as of the date of this Listing Statement.

- At the time of the BCSC Orders, Roger McIntyre, Jerry Habuda and Matt Fish were directors of the Company and Roger McIntyre and Matt Fish were officers of the Company.

The above description of the BCSC Orders in this Listing Statement is a summary only and is qualified in entirety to the actual text of the BCSC Orders, copies of which are available on the BCSC website at www.bcsc.bc.ca.

The information above is not within the knowledge of management of Champignon and has been furnished by the respective individuals.

13.7 Penalties and Sanctions

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of Champignon or AltMed Capital has, during the ten years prior to the date of this Listing Statement, been subject to any penalties or sanctions imposed by or entered into any settlement agreement with, any court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft, or any other matter that would likely be considered important to a reasonable investor making an investment decision.

The information above is not within the knowledge of management of Champignon and has been furnished by the respective individuals.

13.8 Personal Bankruptcies

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of Champignon or AltMed Capital has, during the ten years prior to the date of this Listing Statement, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

The information above is not within the knowledge of management of Champignon and has been furnished by the respective individuals.

13.9 Conflicts of Interest

The directors of Champignon are required by law to act honestly and in good faith with a view to the best interests of Champignon and to disclose any interests which they may have in any project or opportunity of Champignon. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Champignon will participate in any project or opportunity, that director will primarily consider the degree of risk to which Champignon may be exposed and its financial position at that time.

Except as disclosed in this Listing Statement, to the best of Champignon's knowledge, there are no known existing or potential conflicts of interest among Champignon and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

13.10 Management

The following sets out details of the directors, officers, employees and contractors of Champignon:

Dr. Roger McIntyre, Chief Executive Officer (age 54):

Dr. McIntyre is a Professor of Psychiatry and Pharmacology at the University of Toronto and Head of the Mood Disorders Psychopharmacology Unit at the University Health Network, Toronto, Canada. Dr. McIntyre is also Executive Director of the Brain and Cognition Discovery Foundation in Toronto; Director and Chair of the Scientific Advisory Board of the Depression and Bipolar Support Alliance (DBSA) in Chicago, Illinois; Professor and Nanshan scholar at Guangzhou Medical University; and Adjunct Professor at the College of Medicine at Korea University. Furthermore, Dr. McIntyre is a Clinical Professor at the State University of New York (SUNY) Upstate Medical University, Syracuse, New York, and a Clinical Professor, Department of Psychiatry and Neurosciences, at the University of California Riverside School of Medicine.

Dr. McIntyre completed his medical degree at Dalhousie University. He received his Psychiatry residency training and Fellowship in Psychiatric Pharmacology at the University of Toronto.

Dr. McIntyre was named by Clarivate Analytics in 2014, 2015, 2016, 2017, 2018, 2019 and 2020 as one of "The World's Most Influential Scientific Minds". This distinction is given by publishing the largest number of articles that rank among those most frequently cited by researchers globally in 21 broad fields of science and social science during the previous decade. Dr. McIntyre has published more than 650 articles/manuscripts and has edited and/or co-edited several textbooks on mood disorders.

Dr. McIntyre is involved in multiple research endeavours which primarily aim to characterize the association between mood disorders, notably cognitive function, and medical comorbidity. His work broadly aims to characterize the

underlying causes of cognitive impairment in individuals with mood disorders and their impact on workplace functioning. This body of work has provided a platform for identifying novel molecular targets to treat and prevent mood disorders and accompanying cognitive impairment.

Dr. McIntyre is extensively involved in medical education. He is a highly sought-after speaker at both national and international meetings. He has received several teaching awards from the University of Toronto, Department of Psychiatry and has been a recipient of the joint Canadian Psychiatric Association (CPA) / Council of Psychiatric Continuing Education Award for the Most Outstanding Continuing Education Activity in Psychiatry in Canada.

Dr. McIntyre is the lead author for the Florida Best Practice Psychotherapeutic Medication Guidelines for Adults with Major Depressive Disorder and Bipolar Disorder. Dr. McIntyre is also a contributor to the Canadian Network for Mood and Anxiety Treatments (CANMAT) guidelines for the treatment of Depressive Disorders and Bipolar Disorders.

Dr. McIntyre completed his medical degree at Dalhousie University. He received his Psychiatry residency training and Fellowship in Psychiatric Pharmacology at the University of Toronto.

Dr. Joshua Rosenblat, Medical Director, CRTCE (age 32):

Dr. Rosenblat oversees clinical care at CRTCE, providing direct patient care while also providing training and ongoing supervision for all CRTCE staff members to ensure best practices are followed at all times. Additionally, Dr. Rosenblat oversees several research projects at CRTCE to contribute to our growing understanding of the optimal use of novel rapid acting treatments, such as ketamine, esketamine, psilocybin and other novel interventions. He has personally treated hundreds of patients with ketamine and has extensive direct clinical and research experience in this area.

Dr. Rosenblat is also a staff psychiatrist and clinician-scientist at the Mood Disorders Psychopharmacology Unit at Toronto Western Hospital, an assistant professor at the University of Toronto and a co-founder & research director of 1907 Research. His clinical focus is treatment-resistant unipolar and bipolar depression. His research focus is conducting clinical trials to identify and evaluate novel psychopharmacological interventions for mood disorders that may substantially improve patient outcomes. His clinical trials integrate biomarkers to simultaneously learn more about the neurobiology of mental health, while identifying new treatment targets. Current novel targets of interest include the glutamate system, inflammation and the application of psychedelics for mood and anxiety disorders. He is also interested in targeting specific trans-diagnostic symptom domains, such as cognition and anhedonia, that do not respond as well to currently available treatment. He has authored and co-authored greater than 130 journal articles and textbook chapters in prestigious journals, such as the New England Journal of Medicine, JAMA Psychiatry, the American Journal of Psychiatry and the Journal of Clinical Psychiatry. He has received numerous local, national and international grants and awards for his research in mood disorders.

Dr. Rosenblat studied medicine at the University of Western Ontario and then completed his residency training in Psychiatry at the University of Toronto. During his residency training, he served as the chief resident of the Clinician-Scientist Program and completed a Master's of Science in the Department of Pharmacology, studying the antidepressant effects of ketamine for his thesis.

Kevin Kratiuk, Vice President, Operations, CRTCE (age 32):

Kevin Kratiuk has been the Vice-President of Operations since July 2018. He obtained his Doctor of Pharmacy degree from Poznan University of Medical Sciences in 2014. Alongside CRTCE, Kevin also founded KJK Health, which consists of a family practice clinic alongside KJK Pharmacy. In addition, he has been providing medical education consults since 2010 to over 1,000 Canadian medical students studying abroad.

Stephen R. Brooks, Chief Financial Officer (age 50):

Stephen Brooks is a finance professional with over 25 years experience across a range of industries including telecommunications, sports, entertainment, media, and retail. Mr. Brooks was formerly Chief Financial Officer of Sim International, a television and movie service provider, CFO of the Ottawa Senators NHL hockey club and Senior Vice-President, Business Operations, of the Toronto Blue Jays and Rogers Centre. Prior to this, Mr. Brooks spent several

years in senior finance roles with Rogers Communications Inc. and Rogers Media Inc., including having responsibility for US and Canadian public reporting requirements.

Mr. Brooks served 10 years in public practice with Deloitte & Touche, LLP in Vancouver, the United Kingdom, and New York. He is a Chartered Accountant and Chartered Professional Accountant in Ontario and BC and an alumnus of the University of British Columbia and Harvard Business School.

Peter Rizakos, General Counsel (age 61):

Peter Rizakos brings 30 years of experience as a corporate and securities lawyer and as an executive in a variety of roles in both established and early-stage businesses. Most recently, Mr. Rizakos was President and CEO of a private mining company and General Counsel for Marret Asset Management Inc., a Canadian asset manager. He was also a legal officer for one of Canada's leading investment fund companies. He has extensive experience with both public and private companies, including implementation of growth strategies, capital raising and asset acquisition, legal and regulatory compliance and on board and governance matters. Mr. Rizakos articled and practiced law at Blakes in Toronto. He is a member of the Law Society of Ontario, has an MBA from INSEAD and an LLB from Osgoode Hall Law School.

Matt Fish, President and Secretary (age 34):

Mr. Fish is a practicing securities lawyer focused on technology and life sciences and natural resource issuers. He has extensive experience with respect to public companies, capital markets and other facets fundamental to the life sciences sector. After beginning his legal career as a lawyer working at prominent Toronto law firms, Mr. Fish started his own law firm, focused on advising public companies on corporate and securities law matters including regulatory compliance, stock exchange listings and risk management. Mr. Fish acts as officer and director to other publicly held companies and was called to the Ontario Bar in 2012.

14. Capitalization

The following tables set forth Champignon's capitalization as of the date of this Listing Statement:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float[(1)]				
Total Outstanding (A)	177,290,212	201,396,075	100.00%	100.00%
Held by Related Persons or employees of Champignon or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in Champignon (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in Champignon upon exercise or conversion of other securities held) (B)	42,462,565	46,412,565	23.95%	23.05%
Total Public Float (A-B)	**134,827,647**	**154,983,510**	**76.05%**	**76.95%**
Freely-Tradable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	13,582,401.00	15,382,401.00	7.66%	7.64%
Total Tradable Float (A-C)	**163,707,811.00**	**186,013,674.00**	**92.34%**	**92.36%**

Public Securityholders (Registered)

Champignon Shares Size of Holding	Number of Holders	Total Number of Securities
1 – 99 Securities	0	0
100 – 499 Securities	0	0
500 – 999 Securities	0	0
1,000 – 1,999 Securities	0	0
2,000 – 2,999 Securities	1	2,000
3,000 – 3,999 Securities	0	0
4,000 – 4,999 Securities	0	0
5,000 or more Securities	53	43,778,112
TOTAL:	**54**	**43,780,112**

Public Securityholders (Beneficial)

Champignon Shares Size of Holding	Number of Holders	Total Number of Securities
1 – 99 Securities	3,011	119,295
100 – 499 Securities	6,898	1,531,116
500 – 999 Securities	3,289	2,079,190
1,000 – 1,999 Securities	4,064	4,921,851
2,000 – 2,999 Securities	1,825	4,069,006
3,000 – 3,999 Securities	875	2,830,505
4,000 – 4,999 Securities	537	2,283,248
5,000 or more Securities	2,791	95,611,147
Unable to confirm	-	1,244,742
TOTAL:	**23,290 or more Holders**	**114,690,100**

Non-Public Securityholders (Registered)

Champignon Shares Size of Holding	Number of Holders[(1)]	Total Number of Securities
1 – 99 Securities	0	0
100 – 499 Securities	0	0
500 – 999 Securities	0	0
1,000 – 1,999 Securities	0	0
2,000 – 2,999 Securities	0	0
3,000 – 3,999 Securities	0	0
4,000 – 4,999 Securities	0	0
5,000 or more Securities	2	18,820,000
TOTAL:	**2**	**18,820,000**

Notes:

(1) Figures reflect registered, but not beneficial, Champignon Shareholders enumerated in Section B, above, and which excludes the effects of the Cancellation that has not yet been completed

Securities Convertible or Exchangeable into Champignon Shares

Description of Security[(1)]	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Champignon Options	17,729,021	8,400,000
Founder Warrants	3,000,000	3,000,000
Pre-IPO Financing Warrants	450,000	450,000
IPO Agent Warrants	296,790	296,790
AltMed Consideration Warrants	1,900,000	1,900,000
Financing Warrants	8,823,747	8,823,747
Financing Broker Warrants	1,235,326	1,235,326
TOTAL:		24,105,863

Note:

(1) See "*Consolidated Capitalization*" for additional details.

There are no additional securities reserved for issuance that are not included in this section 14.

15. Executive Compensation

The following information of Champignon and AltMed Capital is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by Champignon, AltMed Capital or one of their subsidiaries for services provided or to be provided, directly or indirectly, to Champignon, AltMed Capital or any of their subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, during any part of Champignon or AltMed Capital's financial year ended March 31, 2020, served as the chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, during any part of Champignon or AltMed Capital's financial year ended March 31, 2020, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of Champignon or AltMed Capital and their subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended March 31, 2020 whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended March 31, 2020; and

(d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of Champignon or AltMed Capital, and was not acting in a similar capacity, as at March 31, 2020.

15.1 Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to Champignon's Named Executive Officers and directors for each of Champignon's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year Ended[1]**	**Salary consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Gareth Birdsall[2] Former CEO, Champignon	2020	35,000	nil	nil	nil	nil	35,000
	2019	31,500	nil	nil	nil	nil	31,500

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year Ended[1]**	**Salary consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Stephen Brohman[3] Former CFO, Champignon	2020	7,500	nil	nil	nil	nil	7,500
	2019	nil	nil	nil	nil	nil	nil

Notes:
(1) During fiscal 2019, Champignon's year-end was September 30, 2019. In connection with the Amalgamation, Champignon changed its year-end from September 30 to March 31, being that of AltMed Capital.
(2) Mr. Gareth Birdsall was replaced by Dr. Roger McIntyre as CEO of Champignon on May 11, 2020.
(3) Mr. Stephen Brohman resigned as CFO of Champignon effective December 7, 2020, and was replaced by Mr. Christopher Hobbs on December 8, 2020 who served as Interim CFO until the appointment of Mr. Stephen R. Brooks on January 11, 2021.

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to AltMed Capital's Named Executive Officers and directors for each of AltMed Capital's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year Ended**	**Salary consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Dr. Roger McIntyre[1] CEO, CRTCE	2020	119,300	nil	nil	nil	nil	119,300
	2019	nil	nil	nil	nil	nil	nil
Kevin Kratiuk[1] Vice President, Operations, CRTCE	2020	49,900	nil	nil	nil	nil	49,900
	2019	nil	nil	nil	nil	nil	nil
Christopher Hobbs[2] Former-CFO, AltMed Capital	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil
Rona-Joanne Rafal[2] Former-Director, AltMed Capital	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil

Notes:
(1) Such compensation reflects that paid by CRTCE, a wholly-owned subsidiary of AltMed Capital prior to the Amalgamation, to such officers in their noted capacity.
(2) Mr. Christopher Hobbs and Ms. Rona-Joanne Rafal resigned upon completion of the Amalgamation.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each NEO or director during the most recently completed financial year ended March 31, 2020, for services provided or to be provided, directly or indirectly, to Champignon or any of its subsidiaries:

Table of Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Gareth Birdsall, Former-CEO, Champignon	Warrants	1,500,000 (15.8%)	May 9, 20	$0.005	N/A	$0.59	May 9, 2024
Stephen Brohman, Former-CFO, Champignon	Options	300,000 (3.8%)	March 2, 2020	$0.22	$0.22	$0.59	March 2, 2022
Jerry Habuda, Director	Options	100,000 (1.3%)	March 2, 2020	$0.22	$0.22	$0.59	March 2, 2022

The following table sets forth all compensation securities granted or issued to each NEO or director during the most recently completed financial year ended March 31, 2020, for services provided or to be provided, directly or indirectly, to AltMed Capital or any of its subsidiaries:

Table of Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Dr. Roger McIntyre CEO, CRTCE	nil	nil	nil	nil	nil	nil	nil
Kevin Kratiuk Vice President, Operations, CRTCE	nil	nil	nil	nil	nil	nil	nil
Christopher Hobbs	Warrants	100	February 20, 2020	$500	N/A	N/A	February 20, 2022

Former-CFO, AltMed Capital							
Rona-Joanne Rafal Former-Director, AltMed Capital	Warrants	50	February 20, 2020	$500	N/A	N/A	February 20, 2022

Exercise of Compensation Securities by Directors and NEOs

As of the most recently completed financial year ended March 31, 2020, no compensation securities were exercised by NEOs or directors of Champignon.

As of the most recently completed financial year ended March 31, 2020, no compensation securities were exercised by NEOs or directors of AltMed Capital.

Employment, Consulting and Management Agreements

There are no severance payment triggering events that would give rise to a severance payment that would be payable to any of the NEOs of Champignon had it occurred during the most recently completed financial year ended March 31, 2020.

There are no severance payment triggering events that would give rise to a severance payment that would be payable to any of the NEOs of AltMed Capital had it occurred during the most recently completed financial year ended March 31, 2020.

Compensation, Philosophy and Objectives

Champignon does not have a formal compensation program. The Champignon Board is solely responsible for determining the compensation to be paid to Champignon's executive officers and evaluating their performance. The Champignon Board has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers. The Champignon Board has not established a compensation committee.

The Champignon Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of Champignon's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other companies in similar industries to enable Champignon to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that Champignon is under by virtue of the fact that it has not had a significant history of earnings.

The Champignon Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Champignon Board relies on the experience of its members as officers and directors with other companies in assessing compensation levels.

Analysis of Elements

The significant elements of compensation for Champignon's NEOs will be cash consulting fees and stock options. Champignon does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of Champignon's compensation program. The Champignon Board reviews annually the total compensation package of each of Champignon's executives on an individual basis.

Champignon's compensation payable to the NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his or her functions on behalf of Champignon.

In particular the Chief Executive Officer's compensation will be determined by time spent on: (i) Champignon's day to day operations; (ii) reviewing potential Amalgamations and negotiating them on behalf of Champignon; and (iii) new business ventures. The Chief Financial Officer's compensation is primarily determined by time spent in reviewing Champignon's financial statements.

Champignon's Option Plan is intended to emphasize management's commitment to the growth of Champignon. The grant of stock options, as a key component of the executive compensation package, enables Champignon to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Option Plan. In granting stock options, the Champignon Board reviews the total of stock options available under the Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance to Champignon's Option Plan.

Description of Option Plan

For a description of the Option Plan, see "*Options to Purchase Securities*" of this Listing Statement above which is qualified in entirety to the actual text of the Option Plan which is available for review under Champignon's profile at www.sedar.com.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

As of the date of this Listing Statement, no directors or executive officers are indebted to Champignon.

16.2 Indebtedness of Directors and Executive Officers of Champignon

As of the date of this Listing Statement, none of the directors or executive officers of Champignon nor any of their Associates, will be indebted to Champignon, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Champignon.

17. Risk Factors

Prior to making any investment decision regarding Champignon, investors should carefully consider, among other things, the risk factors set forth below. While this Listing Statement has described the risks and uncertainties that management of Champignon believe to be material to Champignon's business, it is possible that other risks and uncertainties affecting Champignon's business will arise or become material in the future.

If Champignon is unable to address these and other potential risks and uncertainties, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of Champignon Shares could decline and an investor could lose all or part of their investment.

The occurrence of any of the following risks could harm Champignon's business, results of operations, financial condition and/or growth prospects or cause Champignon's actual results to differ materially from those contained in forward-looking statements it has made in this Listing Statement. The risks and uncertainties described in this Listing Statement are not the only ones Champignon may face. Additional risks and uncertainties that Champignon is unaware of, or that Champignon currently deems not to be material, may also become important factors that affect

Champignon. If any such risks actually occur, Champignon's business, financial condition or results of operations could be materially adversely affected.

Substantial Number of Authorized but Unissued Shares

Champignon has an unlimited number of Champignon Shares that may be issued by the Board of Directors without further action or approval of Champignon's shareholders. While the Board of Directors is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Champignon's shareholders.

Additional Requirements for Capital

Substantial additional financing may be required if Champignon is to be successful and develop its business. No assurances can be given that Champignon will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to Champignon, if at all. If Champignon is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operating Activities

Champignon has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve Champignon's existing plans. There is no assurance that Champignon's business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, Champignon may be required to obtain additional financing in order to meet its future cash commitments.

Limited Operating History

Champignon has no products producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. Champignon has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from Champignon's existing and future products. There is no assurance that Champignon will be able to raise the required funds to continue these activities.

Speculative Nature of Investment

An investment in the securities of Champignon carries a high degree of risk and should be considered a speculative investment. Champignon has no history of earnings, limited cash reserves, limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Management of Growth

Champignon may be subject to growth-related risks including pressure on its internal systems and controls. Champignon's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Champignon to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, Champignon may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for Champignon's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, Champignon will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that Champignon will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support Champignon's operations or that Champignon will

be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting Champignon's management's attention away from other business concerns; entering markets in which Champignon has limited or no direct experience; and potential loss of Champignon's key employees or key employees of the acquired companies or businesses. Champignon's management has experience in making acquisitions and entering collaborations; however, Champignon cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. Champignon may incorrectly judge the value or worth of an acquired company or business. In addition, Champignon's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. Champignon cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of Champignon's business may require a substantial capital investment by Champignon.

Public Health Crisis

Champignon's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a pandemic, and on January 28, 2020, health officials of British Columbia, Canada, announced the first presumptive case of the virus in the province. On March 18, 2020, the Province of British Columbia declared the pandemic a provincial state of emergency.

To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and Asia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, Champignon cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Champignon is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic.

Such public health crises can result in volatility and disruptions in the supply and demand for products, global supply chains and financial markets, as well as declining trade and market sentiment, and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to Champignon of such public health crises also include volatility in the global capital markets that could negatively impact Champignon's ability to access capital, risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, health and safety measures of government and other regulatory bodies that could cause disruption to or closure of Champignon operations at the Clinics, business interruptions to Champignon's customers impacting their ability to make timely payments, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. COVID-19 could impact future expansions of Clinics and other acquisitions of Champignon, especially across national and international borders. Champignon will need to take into consideration various impacts of COVID-19 on any potential location, including historical, current and trending COVID-19 health community data, and public health and safety measures implemented by each locations' government agencies. The extent to which COVID-19 will or may impact the Champignon is uncertain and these factors are beyond Champignon's control; however, it is possible that COVID-19 may have a material adverse effect on the Champignon's business, results of operations and financial condition.

Unfavourable Publicity or Consumer Perception

The success of the psychedelic therapy industry may be significantly influenced by the public's perception of psychedelic medicinal applications. Psychedelic therapy is a controversial topic, and there is no guarantee that future

scientific research, publicity, regulations, medical opinion, and public opinion relating to psychedelic therapy will be favourable. The psychedelic therapy industry is an early-stage business that is constantly evolving, with no guarantee of viability. The market for psychedelic therapy is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of psychedelic therapy may have a material adverse effect on Champignon's operational results, consumer base and financial results.

Patient Acquisition and Retention

Champignon's success will depend, in part, on its ability to attract and retain patients. There are many factors which could impact Champignon's ability to attract and retain patients, including the successful implementation of Champignon's patient-acquisition plans and the continued growth in the aggregate number of patients selecting psychedelic therapy as a treatment option. Champignon's failure to acquire and retain patients as clients would have a material adverse effect on Champignon's business, operating results and financial condition.

Physicians may not refer patients to the Clinics. In addition, as the market grows, and general practitioners become more comfortable and knowledgeable about the psychedelic therapy industry and products available, they may choose to write prescriptions directly for their own patients rather than refer them to an outside clinic.

Quality Control Systems

The quality and safety of Champignon's products are critical to the success of its business and operations. As such, it is imperative that Champignon (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality of the training program and adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on Champignon's business and operating results.

Promoting Off-Label Drug Use

Companies may not promote drugs for ''off-label'' uses — that is, uses that are not described in the product's labelling and that differ from those approved by the FDA, Health Canada or other applicable regulatory agencies. Physicians may prescribe drug products for off-label uses, and such off-label uses are common across medical specialties. Although the FDA, Health Canada and other regulatory agencies do not regulate a physician's choice of treatments, the FDA, Health Canada and other regulatory agencies do restrict communications by companies or their sales representatives on the subject of off-label use. The FDA, Health Canada and other regulatory agencies actively enforce regulations prohibiting promotion of off-label uses and the promotion of products for which marketing clearance has not been obtained. A company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions. Notwithstanding the regulatory restrictions on off-label promotion, the FDA, Health Canada and other regulatory authorities allow companies to engage in truthful, non-misleading, and non-promotional speech concerning their products. Although we believe that all of our communications regarding all of our products are in compliance with the relevant regulatory requirements, the FDA, Health Canada or another regulatory authority may disagree, and we may be subject to significant liability, including civil and administrative remedies, as well as criminal sanctions. In addition, management's attention could be diverted from our business operations and our reputation could be damaged. Our distribution partners may also be the subject of regulatory investigations involving, or remedies or sanctions for, off-label uses of products we have licensed to them, which may have an adverse impact on sales of such licensed products, which may, in turn, have a material adverse effect on our business, financial condition and results of operations.

Business Exposure to New Clinical Modalities

The use of psychedelics in the treatment of medical conditions is relatively new. Champignon currently uses ketamine, off-label, in specific mental health treatment protocols. In the future, as new psychedelics are approved for use, Champignon also intends to incorporate them into its practices. However, no assurance can be given that such

new psychedelics will become available for use, and no assurance can be given that the Corporation will be successful in the long term in building its business through new clinical modalities.

Intellectual Property

Currently Champignon has not obtained any trademarks. If Champignon is unable to register or, if registered, maintain effective patent rights for its product candidates, Champignon may not be able to effectively compete in the market. If Champignon is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against Champignon. Champignon may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay Champignon's development and commercialization efforts.

Champignon's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Champignon receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of Champignon's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products and to conduct its existing research, and could require financial resources to defend litigation, which may be in excess of Champignon's ability to raise such funds. There is no assurance that Champignon's patent applications submitted or those that it intends to acquire will be approved in a form that will be sufficient to protect its proprietary technology and gain or keep any competitive advantage that Champignon may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to Champignon may be challenged, invalidated or circumvented. To the extent Champignon's intellectual property offers inadequate protection, or is found to be invalid or unenforceable, Champignon will be exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against Champignon's competitors, its competitive position could be adversely affected, as could Champignon's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect Champignon's intellectual property rights to the same extent as do the laws of Canada and the United States. Champignon will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided Champignon has the funds to enforce its rights, if necessary.

Regulatory or Political Change

The success of the business strategy of Champignon depends on the legality of the use of psychedelics for the treatment of mental health conditions and the acceptance of such use in the medical community. The political environment surrounding the psychedelics industry in general can be volatile. As of the date of this Listing Statement, Canada and the United States permit the use of ketamine or a derivative thereof as a treatment for certain mental health conditions; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the use of psychedelics as a whole, adversely impacting Champignon's ability to successfully operate or grow its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of Champignon's planned products is subject to regulation by one or more governmental authorities, and various agencies of the federal, provincial, state and localities in which our products are or will be sold. These government authorities may attempt to regulate any of our products that fall within their jurisdiction. Such governmental authorities may not accept the evidence of safety for any ingredients that Champignon may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of support that we

want to use is an unacceptable claim. Such a determination would prevent Champignon from marketing particular products or using certain statements of nutritional support on its products. Champignon also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, government authorities could require Champignon to remove a particular product from the market. Any recall or removal would result in additional costs to Champignon, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects, all of which could be material.

Regulatory Compliance

Achievement of Champignon's business objectives is subject to compliance with regulatory requirements enacted and enforced by governmental authorities and obtaining and maintaining all required regulatory approvals. Champignon may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting, licence or approval requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Champignon may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Champignon cannot predict the timeline required to secure all appropriate regulatory approvals or licenses for the intended business or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failing to obtain, required regulatory approvals or licenses may significantly delay or impact the research and development activities and could have a material adverse effect on the business, results of operations and financial condition of Champignon. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Champignon's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Champignon.

The impact of the various legislative regimes, on Champignon's business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating Champignon's business activities will create or allow for the growth opportunities Champignon currently anticipates.

Regulatory Risks

The psychedelics industry is a new industry which is highly regulated, highly competitive and evolving rapidly, and psychedelics are illegal substances other than when used for scientific or medical purposes. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

Champigon's industries are subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. Similar restrictions to the plain packaging requirements and restrictions on promotion of cannabis and the restrictions on promotion of illegal substances in Canada may limit the ability to effectively advertise and promote Champignon's products and business. The marketability of any product may also be affected by numerous factors that are beyond the control of Champignon and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce Champignon's earnings and could make future capital investments or Champignon's operations uneconomic. The psychedelics industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The impact of various legislative regimes on Champignon's business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the manufacture, distribution, sale and promotion of psychedelics will create or allow for the growth opportunities Champignon currently anticipates.

Marketing Constraints

The development of Champignon's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If Champignon is unable to effectively market its products/compounds, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products/compounds, Champignon's sales and operating results could be adversely affected.

Non-Compliance with Laws

Non-compliance with federal, provincial, or state laws and regulations, or the expansion of current, or the enactment of new, laws or regulations, could adversely affect Champignon's business. The activities of the Clinics and the medical personnel operating the Clinics are subject to regulation by governmental authorities, and Champignon's business objectives are contingent, in part, upon its and its personnel's compliance with regulatory requirements enacted by these governmental authorities, and obtaining all regulatory approvals, where necessary, for the carrying on of business at the Clinics. Any delays in obtaining, failure to obtain, or violations of regulatory approvals and requirements would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Champignon.

In Canada and the United States, certain psychedelic drugs, are classified as Schedule I drugs under the *Controlled Drugs and Substances Act* (Canada) and the *Controlled Substances Act* (United States) and as such, certain medical and recreational use is illegal under the Canada and U.S. federal laws. While Champignon is focused on programs using psychedelic inspired compounds, Champignon does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any Canadian or United States law and regulation, could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which Champignon operates, or private citizens or criminal charges which could have an adverse effect on Champignon's operations.

Psychedelic Regulatory Risks

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance Champignon will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed or at all. The impact of various legislative regimes on Champignon's business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities Champignon currently anticipates.

Ketamine as a Pharmaceutical

Champignon is currently administering ketamine and esketamine at the CRTCE Clinics in Ontario. To the extent that ketamine is administered by a member of the CPSO, Champignon is subject to CPSO guidance and policies. Champignon would have to cease administration of ketamine by physicians if Champignon were to lose its licence under the Out of Hospital Premises Program to perform ketamine IV treatments for depression. Although not expected, such a result could have a material impact on Champignon's business and results of operations.

Healthcare Regulation

Healthcare service providers in Canada and the United States are subject to various governmental regulation and licensing requirements and, as a result, Champignon's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition and results of operations of these business units. In addition, Champignon could incur significant costs in the course

of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of Champignon.

Development Risks

Future development of Champignon's business may not yield expected returns and may strain management resources. Development of Champignon's revenue streams is subject to a number of risks, including construction delays, cost overruns, financing risks, cancellation of key service contracts, and changes in government regulations. Overall costs may significantly exceed the costs that were estimated when projects were originally undertaken, which could result in reduced returns, or even losses, from such investments.

Drug Development

Given the early stage of Champignon's R&D activities, Champignon can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, Champignon, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. Champignon currently has no products that have been approved by the United States Food and Drug Administration, Health Canada or any similar regulatory authority. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. Champignon has not yet completed later stage clinical trials for any of its product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause Champignon or its collaborators to abandon commitments to that program. Positive results of early pre-clinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and Champignon can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of Champignon's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If Champignon is successful in developing its current and future product candidates into approved products, Champignon will still experience many potential obstacles, which would affect Champignon's ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If Champignon is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

Champignon can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and Champignon cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, pre-clinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain United States Food and Drug Administration approval. If Champignon fails to produce positive results in its future clinical trials, the development timeline and regulatory approval and commercialization prospects, would be materially adversely affected which may have materially adversely impact on Champignon's business.

Psychedelics Require Further Clinical Research

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although Champignon believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, psychedelic and psychoactive products derived from psilocybin and ketamine. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Listing Statement or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and psychoactive products derived from psilocybin and ketamine, which could have a material adverse effect on the demand for Champignon's products/compounds with the potential to lead to a material adverse effect on Champignon's business, financial condition and results of operations.

Nature of the Health Clinic Industry

Changes in operating costs (including costs for maintenance, insurance), inability to obtain permits required to conduct Champignon's business, changes in health care laws and governmental regulations, and various other factors may significantly impact the ability of Champignon to generate revenues. Certain significant expenditures, including legal fees, borrowing costs, maintenance costs, insurance costs and related charges, must be made to operate the Clinics, regardless of whether the Issuer is generating revenue.

Prescribing Medication

Provincial and state medical boards or other regulatory bodies could take disciplinary action against Champignon's physicians for excessive psychedelic prescriptions. Physician prescription patterns may be tracked and may be used to impose disciplinary action on physicians who prescribe psychedelics at a high rate. If any of Champignon's physicians are deemed to be prescribing psychedelics excessively, such physicians could face disciplinary action, including, revocation of the physician's license. Any disciplinary action or license revocation of physicians who work at the Clinics could result in such Clinics not having sufficient physicians to address patient needs and could adversely affect Champignon's business.

Competition

Champignon faces competition in the markets in which it operates. The psychedelic therapy industry is intensely competitive, and Champignon competes with other companies that may have greater financial resources and technical facilities. Some of Champignon's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than Champignon. Numerous other businesses are expected to compete in the clinic space and provide additional patient servicing. It is possible that physicians or other third parties could also establish their own psychedelic therapy clinics that are similar to Champignon's, as there are no significant barriers to entry. Champignon's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require Champignon to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. An increase in competition for psychedelic therapy may decrease prices and result in lower profits. This increases the risk that Champignon will not be able to access financing when needed, or at all.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Champignon's competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications Champignon is targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which Champignon's product candidates may be useful. Many of Champignon's competitors have substantially greater financial, technical and human resources than Champignon and have significantly greater experience than Champignon in conducting preclinical testing and

human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, Champignon's competitors may succeed in obtaining regulatory approval for products more rapidly than Champignon does.

Any decrease in the quality of Champignon's products or level of service to customers or any occurrence of a price war among Champignon's competitors and Champignon may adversely affect the business and results of operations.

Product Liability Claims

Champignon may be required to pay for losses or injuries purportedly or actually caused by its products or product candidates. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that Champignon's products are found to cause any injury or damage, Champignon will be subject to substantial liability. This liability may exceed the funds available by Champignon and result in the failure of its business.

Volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Champignon Shares to sell their securities at an advantageous price. Market price fluctuations in the Champignon Shares may be due to Champignon's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Champignon or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Champignon Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Champignon Shares may decline even if Champignon's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, Champignon's operations could be adversely impacted and the trading price of the Champignon Shares may be materially adversely affected.

Use of Funds

Champignon has prepared a detailed budget setting out the way in which it proposes to expend its funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from Champignon's product development and marketing initiatives. As Champignon further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, Champignon may, from time to time as opportunities arise, utilise part of its financial resources to participate in additional opportunities that arise and fit within Champignon's broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

Some of Champignon's Directors and officers act as directors and/or officers of other companies. As such, Champignon's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, Champignon's Directors and officers may prioritize the business affairs of another company over the affairs of Champignon.

Personnel

The loss of any member of Champignon's management team, or of its key individuals or qualified person in charge, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on Champignon's business and operating results. At present and for the near future, Champignon will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require Champignon to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and Champignon may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, Champignon may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, if and when Champignon moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Reliance on Physicians and other Healthcare Professionals

Champignon relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in Champignon's business until these services are replaced. As such, vacancies and disabilities relating to Champignon's current medical staff may cause interruptions in Champignon's business and result in lower revenues. As Champignon expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations. There is currently a shortage of certain medical physicians in Canada and the United States, and this may affect Champignon's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Litigation

Champignon may become party to litigation from time to time in the ordinary course of business, including in connection with contract disputes, enforcements of its intellectual property, a medical malpractice claim, a product liability claim or a claim based in related legal theories of negligence or vicarious liability among others if a physician at one of the Clinics causes injury, which could adversely affect Champignon's business. Should any litigation in which Champignon becomes involved be determined against Champignon, such a decision could adversely affect Champignon's ability to continue operating and the market price for Champignon Shares. Even if Champignon is involved in litigation and wins, litigation can redirect significant resources. Litigation may also create a negative perception of Champignon's business.

Intellectual Property Protection with Third Party Reliance

Champignon's reliance on third parties requires Champignon to share its trade secrets, which increases the possibility that a competitor will discover them. Because Champignon is likely to rely on third parties to develop its products/compounds, it will be required to share trade secrets and other confidential information with them. Champignon will seek to protect its proprietary technology in part by entering into confidentiality or non-disclosure agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements will typically restrict the ability of its collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets and confidential information. Champignon's academic and clinical collaborators will typically have rights to publish data, provided that Champignon is notified in advance and may delay publication for a specified time in order to secure is intellectual property rights arising from the collaboration. In other cases, publication rights will be controlled exclusively by Champignon, although in some cases Champignon may share these rights with other parties. Champignon may also conduct joint research and development programs which may require Champignon to share trade secrets and confidential information under the terms of research and development collaborations or similar agreements. Despite

efforts to protect its trade secrets and confidential information, Champignon's competitors may discover its trade secrets or confidential information, either through breach of these agreements, independent development or publication of information including its trade secrets or confidential information in cases where Champignon does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of Champignon's trade secrets or confidential information may impair its competitive position and could have a material adverse effect on its business and financial condition.

Licensing

Champignon may require additional third-party licenses (including for the Novo IP) to effectively develop and manufacture its key products and is currently unable to predict the availability or cost of such licenses. A substantial number of patents have already been issued to other health product, biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover Champignon's products or services, Champignon or its strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce Champignon's profits from these products and services. Champignon is currently unable to predict the extent to which it may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in Canada, the United States or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Champignon's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products/compounds.

Currency Exchange Rates

Fluctuations in the exchange rate between the United States dollar and the Canadian dollar may have a material effect on Champignon's results of operations. To date, Champignon has not engaged in exchange rate-hedging activities. To the extent that Champignon may seek to implement hedging techniques in the future with respect to its foreign currency transactions, there can be no assurance that Champignon will be successful in such hedging activities.

Tax Issues

Income tax consequences in relation to the Champignon Shares will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Environmental, Health and Safety Regulations

Champignon's operations are subject to a variety of environmental, health and safety laws and regulations in each of the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Champignon's operations. Champignon's laboratory operations will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds, as the operations will involve spores, silica gels, dried mushroom powder, solvents for extraction and chromatographic separations in solvent systems which present potential and low-grade hazard to human health. Champignon will establish internal policies to comply with all such environmental laws and regulations.

Government environmental approvals and permits may be required in connection with Champignon's operations. To the extent such approvals are required and not obtained, Champignon may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed.

Any failure by Champignon to comply with environmental, health and safety requirements could result in the limitation or suspension of operations. Failure to comply with applicable environmental laws, regulations and permitting requirement may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities

causing operations to cease or to be curtailed, and may include corrective measure requiring capital expenditures, installation of additional equipment, or remedial actions. Champignon may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Cyber-Attacks and Information Technology Systems

Champignon's operations depend, in part, on how well it protects its information technology systems, networks, equipment and software from damages from a number of threats. While Champignon implements protective measures to reduce the risk of and detect cyber incidents, cyberattacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly; the development of Champignon's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by regulatory bodies.

Champignon may enter into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations, as a result of which, Champignon's operations would depend, in part, on how well it and its contractors and consultants protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Champignon's operations would also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses.

The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Champignon's reputation and results of operations. There can be no assurance that Champignon will not incur material losses relating to cyber-attacks or other information security breaches in the future. Champignon's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Champignon may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Confidentiality of Personal and Health Information

Champignon and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of Champignon and specifically their medical histories. There can be no assurance that Champignon's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of Champignon's employees or arm's length third parties. If a client's privacy is violated, or if Champignon is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Social Media

There has been a recent marked increase in the use of social media platforms and similar channels that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. Information posted about Champignon may be adverse to Champignon's interests or may be inaccurate, each of which may harm Champignon's business, financial condition and results of operations.

Effectiveness of Controls and Procedures

Management does not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only

reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Champignon have been detected.

Health Canada Regulations

Any future research into products that involve ingredients that are controlled under CDSA (including certain psychedelics such as psilocybin) will require an exemption from Health Canada. There is no assurance that such exemption would be granted, and if it were not to be granted, it would prevent the Champignon from handling and researching such products.

Consequences of Violations of Laws and Regulations

In Canada, certain active ingredients such as psilocybin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The governmental authorities in Canada may allow for exemptions to parties to allow possession of controlled substances for scientific purposes. Further, a dealer's license can be obtained under the Food and Drugs Regulations allowing for the transport, manufacturing, processing and sale of products containing a controlled substance like psilocybin in certain circumstances. Programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which Champignon may in the future operate, or private citizens or criminal charges. There is no guarantee that Champignon would be able to obtain an exemption under the CDSA or a dealer's licence under the Food and Drugs Regulation should it decide to research substances such as psilocybin, which would prevent Champignon from being able to handle or research those substances.

Risks related to Regulatory Changes

In Canada, psilocybin is classified as a Schedule III drug and ketamine as a Schedule I drug under the CDSA. In the United States, psilocybin is classified as a Schedule I drug and ketamine is classified as a Schedule III drug under the CSA. All activities involving such substances by or on behalf of Champignon are conducted in accordance with applicable federal, provincial, state and local laws. While Champignon is focused on programs using ketamine and psychedelic inspired compounds, Champignon does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which Champignon operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which Champignon operates, or private citizens or criminal charges. Any changes in applicable laws and regulations could have an adverse effect on Champignon's operations. The psychedelic drug industry is a fairly new industry and Champignon cannot predict the impact of the ever evolving compliance regime in respect of this industry. Similarly, Champignon cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of Champignon. The success of Champignon's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on Champignon's business and success. There is no assurance that activities of Champignon will continue to be legally permissible.

The potential reclassification of psilocybin and other psychedelic drugs in the United States could create additional regulatory burdens on Champignon's operations and negatively affect Champignon's results of operations. If psilocybin and/or other psychedelic drugs are rescheduled under the CSA as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), it may materially alter enforcement policies across many federal agencies, primarily the FDA and DEA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the Federal Food, Drug, and Cosmetic Act. The FDA's responsibilities include regulating the ingredients as well as the marketing

and labeling of drugs sold in interstate commerce. Since it is currently illegal under federal law to produce and sell psilocybin and psychedelic drugs other than Ketamine and as there are no federally recognized medical uses, the FDA has historically deferred enforcement related to these products to the DEA. If psilocybin and/or other psychedelic drugs were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. The DEA would continue to be active in regulating manufacturing, distribution and dispensing of such substances. Multi-agency regulation and enforcement could materially effect Champignon's costs associated with research and/or therapeutic uses of these substances in its business

Clinical Trial Results and Adverse Safety Events

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect Champignon's clinical operations, research, share price and ability to finance future operations. Champignon heavily relies on the capabilities and experience of its key executives and scientists and the loss of any of them could have a material adverse impact on Champignon The loss of Champignon's executive officers or other key members of Champignon's staff, could harm Champignon. Champignon also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to Champignon. In addition, Champignon believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as Champignon expands its operations. Champignon enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. Champignon also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, Champignon faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. Champignon cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of Champignon's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

Employee and Contractor Misconduct

Champignon's employees and contractors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business Champignon is exposed to the risk of fraud or other misconduct. Misconduct by employees and contractors could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards Champignon has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to Champignon. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee and contractor misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to Champignon's reputation. If any such actions are instituted against Champignon, and Champignon is not successful in defending itself or asserting its rights, those actions could have a substantial impact on Champignon's business and results of operations, including the imposition of substantial fines or other sanctions. Champignon may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt Champignon's business and harm its financial condition Champignon has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing Champignon, the risks noted above do not necessarily comprise all those potentially faced by Champignon as it is impossible to foresee all possible risks.

Although the Directors will seek to minimise the impact of the risk factors, an investment in Champignon should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specialises in investments of this nature before making any decision to invest.

18. Promoters

Other than Gareth Birdsall, the former board member of Champignon who resigned from Champignon Board effective November 23, 2020, no person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of Champignon or AltMed Capital. As of the date of this Listing Statement, Champignon believes that Mr. Birdsall is a registered or beneficial owner of 3,550,000 Champignon Shares and 3,000,000 Founder Warrants.

Other than as disclosed in this section and under "Executive Compensation" or elsewhere in this Listing Statement, no person who was a promoter of Champignon or AltMed Capital within the last two years:

(a) received anything of value directly or indirectly from AltMed Capital or a Subsidiary;

(b) sold or otherwise transferred any asset to AltMed Capital or a Subsidiary within the last 2 years;

(c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

(d) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

(f) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

19. Legal Proceedings

19.1 Legal Proceedings

There are no material legal proceedings to which Champignon, AltMed Capital or a subsidiary, is or was a party or which any of Champignon's, is or was the subject of, during the most recently completed financial year, and Champignon is not aware of any such proceedings that are contemplated.

19.2 Regulatory Actions

During the three most recently completed financial years: (i) no penalties or sanctions were imposed against Champignon or AltMed Capital by a court relating to securities legislation or by a securities regulatory authority (other than the BCSC Orders); (ii) no other penalties or sanctions were imposed by a court or regulatory body against Champignon or AltMed Capital that would likely be considered important to a reasonable investor in making an investment decision; and (iii) Champignon or AltMed Capital did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

20. Interest of Management and Others in Material Transactions

Other than transactions carried out in the ordinary course of business of Champignon and AltMed Capital, as applicable or disclosed herein, no

(a) director or executive officer of Champignon or AltMed Capital;

(b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of Champignon or AltMed Capital, as applicable; or

(c) associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b);

has, during any of the most recently completed financial year of Champignon or AltMed Capital had any material interest in any transactions or any proposed transactions which has materially affected Champignon or AltMed Capital, as applicable or will materially affect Champignon.

In addition, Champignon has identified Lucas Birdsall, a shareholder and former contracted consultant to Champignon (the "**Consultant**") as a related party as the Consultant exerted significant influence over the Company. Champignon incurred the following transactions with the Consultant from the date of incorporation, March 26, 2019 to the date of this Listing Statement:

- On May 27, 2019, Champignon issued the Consultant 1,750,000 Champignon Shares for total gross proceeds of $35,000.

- On March 5, 2020, Champignon issued the Consultant 500,000 stock options at an exercise price of $0.22 per Champignon Share that expire March 2, 2022. The stock options have a fair value of $57,880.

- On March 17, 2020, Champignon issued 8,000,000 Champignon Shares with a fair value of $2,320,000 and acquired 100% of Artisan pursuant to the Artisan Agreement. The Consultant was a shareholder of Artisan and in exchange for his shares in Artisan was issued 1,280,000 Champignon Shares with a fair value of $371,200 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- On March 20, 2020, Champignon issued 12,500,000 Champignon Shares with a fair value of $4,375,000 and acquired 100% of Novo pursuant to the Novo Agreement. The Consultant was a shareholder of Novo and in exchange for his shares in Novo was issued 1,500,000 Champignon Shares with a fair value of $435,000 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- On March 25, 2020, Champignon issued the Consultant 300,000 stock options at an exercise price of $0.35 per Champignon Share that expire March 25, 2022. The stock options have a fair value of $54,984.

- On March 30, 2020, Champignon issued 16,000,001 Champignon Shares with a fair value of $5,840,000 and acquired 100% of Tassili pursuant to the Tassili Agreement. The Consultant was a shareholder of Tassili and in exchange for his shares in Tassili was issued 3,000,000 Champignon Shares with a fair value of $1,470,000 on the closing of the transaction pursuant to the Tassili Agreement. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- On March 25, 2020, Champignon issued the Consultant 600,000 stock options at an exercise price of $0.495 per Champignon Share that expire March 30, 2022. The stock options have a fair value of $155,257.

- On April 30, 2020, Champignon issued 75,674,000 Champignon Shares to acquire 100% of Altmed. The Consultant was a shareholder of Altmed and was issued 6,018,000 Champignon Shares with a fair value of $5,356,020 on the closing of the transaction between Champignon and Altmed pursuant to the Amalgamation Agreement. The transaction was entered into at market terms using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- The Consultant was paid $20,000 for consulting services for the six month period ended March 31, 2020 and $60,000 for consulting services for the six month period ended September 30, 2020.

- On November 17, 2020, the Company terminated the consulting agreement with the Consultant.

21. Auditors, Transfer Agents and Registrars

21.1 Auditors

The auditors of Champignon and AltMed are Dale Matheson Carr-Hilton Labonte LLP, located at 1140 W Pender St #1500-1700, Vancouver, BC V6E 4G1.

The auditors of CRTCE is Jonathan Leung CPA Professional Corporation, located at 255 Duncan Mill Road, Suite 303 Toronto, ON M3B 3H9.

21.2 Transfer Agent and Registrar

National Securities Administrators Ltd. is the transfer agent and registrar for Champignon Shares and warrant agent for the Financing Warrants, and maintains registers in Vancouver, British Columbia. Champignon's transfer agent and registrar is located at Suite 760, 770 Hornby Street, Vancouver BC V6Z 1S4.

22. Material Contracts

Champignon and AltMed Capital entered into the following material contracts, other than contracts entered into in the ordinary course, in the two years preceding the date of this Listing Statement.

- the IPO Escrow Agreement;
- the IPO Agency Agreement;
- the Artisan Agreement;
- the Novo Agreement;
- the Tassili Agreement;
- the Amalgamation Agreement;
- the Miami Research Agreement;
- the Financing Underwriting Agreement;
- the Financing Warrant Indenture; and
- the agreements related to the CRTCE Acquisition.

Particulars of such material contracts are provided elsewhere in this Listing Statement.

23. Interest of Experts

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, Champignon and AltMed Capital's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Jonathan Leung CPA Professional Corporation, CRTCE's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other than as set forth below, the aforementioned firms held no securities of Champignon, AltMed Capital or CRTCE, when they prepared the reports or information referred to, or following the preparation of such reports or information.

24. Other Material Facts

To the knowledge of Champignon's directors and officers, there are no material facts about Champignon and its securities that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to Champignon and its securities.

25. Financial Statements

Certain financial statements of Champignon, AltMed Capital and CRTCE have been attached to this Listing Statement, as follows.

- Champignon Financial Statements for the period from March 26, 2019 (the date of incorporation) to September 30, 2019, for the six months ended March 31, 2020 and for the six months ended September 30, 2020 are attached to this Listing Statement as Schedule "A".

- AltMed Capital Financial Statements for the period from September 9, 2019 (the date of incorporation) to March 31, 2020 are attached to this Listing Statement as Schedule "C".

- CRTCE Financial Statements as at November 30, 2019, and 2018 and for the three months ended February 29, 2020 are attached to this Listing Statement as Schedule "E".

CERTIFICATE OF CHAMPIGNON

The foregoing contains full, true, and plain disclosure of all material information relating to Champignon. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

"Dr. Roger S. McIntyre"

Dr. Roger McIntyre
Chief Executive Officer

"Stephen R. Brooks"

Stephen R. Brooks
Chief Financial Officer

"Matthew Fish"

Matthew Fish
Director

"Jerry Habuda"

Jerry Habuda
Director

SCHEDULE “A”

CHAMPIGNON FINANCIAL STATEMENTS

(See attached)

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Financial Statements

(Expressed in Canadian Dollars)

For the period from March 26, 2019 (incorporation) to September 30, 2019

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Champignon Brands Inc.,

Opinion

We have audited the financial statements of Champignon Brands Inc. (the "Company"), which comprise the statement of financial position as at September 30, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from March 26, 2019 (incorporation) to September 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2019, and its financial performance and its cash flows for the period from March 26, 2019 (incorporation) to September 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $172,723 for the period from March 26, 2019 (incorporation) to September 30, 2019 and had a deficit of $172,723 as at September 30, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, B.C.
February 5, 2020

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)
Statement of Financial Position
(Expressed in Canadian Dollars)

As at	Notes	September 30, 2019 $
ASSETS		
Current assets		
Cash		855,669
Prepaid expenses	3	153,093
Inventory	4	33,783
		1,042,545
Non-current assets		
Intangible asset	5	117,929
TOTAL ASSETS		**1,160,474**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	6, 7	53,263
TOTAL LIABILITIES		53,263
SHAREHOLDERS' EQUITY		
Share capital	8	1,269,500
Reserve	8	10,434
Deficit		(172,723)
TOTAL SHAREHOLDERS' EQUITY		1,107,211
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,160,474**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Gareth Birdsall"

Gareth Birdsall, Director

"Matthew Fish"

Matthew Fish, Director

(Expressed in Canadian Dollars)

	Notes	For the period from March 26, 2019 (incorporation) to September 30, 2019 $
Revenue		
Revenue		212
Cost of sales		(87)
Gross profit		125
Expenses		
Amortization	5	2,071
Research and development	10	50,000
Consulting fees	7	36,474
Office and miscellaneous		14,783
Advertising and promotion		42,500
Legal fees		19,763
Management fees		7,000
Foreign exchange		257
Total expenses		172,848
Net loss and comprehensive loss for the period		**(172,723)**
Loss per share – basic and diluted		**(0.02)**
Weighted average number of common shares outstanding – basic and diluted		**8,601,958**

(Expressed in Canadian Dollars)

	Notes	Share capital		Reserve	Deficit	Total
		Number of shares	Amount			
		#	$	$	$	$
Incorporation, March 26, 2019		**-**	**-**	**-**	**-**	**-**
Private placements (net of share issuance costs)	8	17,276,001	1,204,500	-	-	1,204,500
Shares issued for services	8	250,000	5,000	-	-	5,000
Shares issued for asset acquisition of intangible asset	5, 8	3,000,000	60,000	-	-	60,000
Warrants issued	8	**-**	-	10,434	-	10,434
Loss and comprehensive loss		-	-	-	(172,723)	(172,723)
Balance at September 30, 2019		**20,521,001**	**1,269,500**	**10,434**	**(172,723)**	**1,107,211**

(Expressed in Canadian Dollars)

	For the period from March 26, 2019 (incorporation) to September 30, 2019 $
Operating activities	
Net loss for the period	(172,723)
Items not affecting operating cash:	
Amortization	2,071
Shares issued for services	5,000
Changes in non-cash working capital items:	
Increase in inventory	(33,783)
Increase in prepaid expenses	(142,659)
Increase in accounts payable and accrued liabilities	53,263
Net cash flows used in operating activities	(288,831)
Investing activities	
Acquisition of intangible asset	(60,000)
Net cash flows used in investing activities	(60,000)
Financing activities	
Private placements (net of issuance costs)	1,204,500
Net cash flows from financing activities	1,204,500
Increase in cash	855,669
Cash, beginning	-
Cash, ending	**855,669**

Non Cash	**$**
Shares issued for the acquisition of intangible asset	60,000
Shares issued for services	5,000

1. Nature and continuance of operations

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.) (the "Company") was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of formulation and end distribution of a suite of artisanal mushroom infused beverage products, with the objective of promoting holistic health and wellness through a healthy diet. On June 7, 2019, the Company changed its name from Nature Leaf Wellness Corp. to Champignon Brands Inc. The Company's fiscal year-end is September 30.

The Company's principal address, records office and registered address are located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at September 30, 2019 the Company had accumulated losses of $172,723. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with issuance of common shares, loans from directors and companies controlled by directors and or profits from its business activities.

2. Significant accounting policies

Basis of presentation and statement of compliance

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Reporting Interpretation Committee ("IFRIC") for the period presented.

These financial statements were authorized for issue by the Board of Directors on February 5, 2020.

Basis of Presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical cost, except for financial instruments measured at fair value. The financial statements are presented in Canadian dollars unless otherwise noted.

The functional and presentation currency of the Company is the Canadian dollar.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost based upon the weighted average method of inventory costing. The realizable value of finished goods is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of finished goods inventory is based on landed cost, which includes all costs incurred to bring inventory to the Company including product, conversion and packaging costs. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of sales.

2. Significant accounting policies (continued)

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The Company capitalizes direct costs that are directly attributable to the acquisition or development of its website. The Company capitalizes direct costs incurred during the application and infrastructure development and graphical design development stages of its website development projects. All website costs incurred during the preliminary project stage, including planning and research, are expensed as incurred, as well as any costs incurred for content development and costs incurred once development is complete.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization periods and the amortization methods for an intangible asset with a finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the remaining amortization periods or methods, as appropriate, and are treated as changes in accounting estimates.

The Company has no indefinite live intangible assets.

Intangible assets are amortized over the following methods and periods:

Type	Amortization method
Website	Straight-line basis over 10 years

Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. The intention to complete the intangible asset and use or sell it;
3. The ability to use or sell the intangible asset;
4. How the intangible asset will generate probable future economic benefits;
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
6. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on incorporation. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition.

2. Significant accounting policies (continued)

Classification (continued)

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. Significant accounting policies (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term highly liquid investments and bank overdrafts. As at September 30, 2019, the Company does not have any cash equivalents.

Loss per Share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the periods presented, except if their inclusion proves to be antidilutive.

2. Significant accounting policies (continued)

Share capital

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of common shares are allocated to common share component. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by cash received. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes Option Pricing Model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on the last completed private placement.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Revenue recognition

The Company adopted all requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 utilizes a methodical framework for entities to follow to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

2. Significant accounting policies (continued)

Revenue recognition (continued)

The IFRS 15 model contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

The Company derives revenues from the sale of tea products and the resale of Auralite minerals. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

The sale of tea products and Auralite minerals is recognized when the products are shipped, or the products delivered and when all significant contractual obligations have been satisfied. There is no unfulfilled obligation that could affect the customer's acceptance of the products after delivering the product. Revenue is shown net of returns and discounts.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Critical Accounting Estimates and Judgments (continued)

Critical accounting estimates:

1. The assessment of indications of impairment of intangible assets;
2. The value of inventories carried at the lower of cost and net realizable value; and
3. The measurement of deferred income tax assets and liabilities.

Critical accounting judgments:

1. The determination of categories of financial assets and financial liabilities; and
2. The evaluation of the Company's ability to continue as a going concern.

New accounting pronouncements

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. The Company has no leases as at September 30, 2019.

3. Prepaid expenses

Prepaid expenses consists of $45,200 advance for the construction of a pop-up store, $25,000 of research and development expenses, $72,459 for production orders to produce tea, and a prepayment of $10,434 on consignment and marketing services (Note 8).

4. Inventory

Inventory consists of the following:

	September 30, 2019
	$
Raw materials	13,783
Finished goods	20,000
	33,783

Raw materials consists of the ingredients used to produce tea. Finished goods consists of Auralite Minerals purchased with the purpose of reselling as a complementary ancillary product.

(Expressed in Canadian Dollars)

5. Intangible asset

	Website $
Cost:	
As at March 31, 2019 (incorporation)	**-**
Additions	120,000
As at September 30, 2019	**120,000**
Accumulated amortization:	
As at March 31, 2019 (incorporation)	**-**
Additions	(2,071)
As at September 30, 2019	**(2,071)**
Net carrying amounts:	
As at September 30, 2019	**117,929**

On May 31, 2019, the Company entered into an asset purchase agreement with Tip Top Gizmos ("Tip Top") to acquire Tip Top's website ("Website") and all of the intellectual property related to the Website ("Acquired Assets"). As consideration, the Company paid $50,000 in cash and issued 3,000,000 common shares with a fair value of $60,000 (Note 8). The Company incurred an additional $10,000 for enhancing the features of the Website for the Company's operations. The Company uses the Website (https://vitalitysuperteas.com/) to advertise and sell its products.

6. Accounts payables and accrued liabilities

	September 30, 2019 $
Accounts payable (Note 7)	31,500
Accrued liabilities	21,763
	53,263

7. Related party transactions and balances

The Company has identified its directors and certain senior officers as its key management personnel.

Key management compensation consist of the following for the period from March 26, 2019 (incorporation) to September 30, 2019:

	Period from March 26, 2019 (incorporation) to September 30, 2019 $
Consulting fees charged by the CEO	31,500

Included in accounts payable at September 30, 2019 is $31,500 owed to the CEO of the Company for consulting fees (Note 6). This amount is due on demand, unsecured, and without interest.

(Expressed in Canadian Dollars)

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the period ended September 30, 2019, the Company issued an incorporation share at $0.01 per share.

During the period ended September 30, 2019, the Company issued 3,000,000 founders' units at $0.005 per unit for total proceeds of $15,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant may be exercised to purchase one additional common share at a price of $0.005 per share (increasing to $0.10 per share on such date that the Company is listed on a public stock exchange) for a period of 5 years from the date of issuance. The fair value of $nil was assigned to these warrants.

During the period ended September 30, 2019, the Company issued 3,500,000 shares at $0.02 per share for gross proceeds of $70,000. Included in this private placement, the Company issued 5,000 shares to the Company's lawyer in lieu of legal services performed for this issuance.

During the period ended September 30, 2019, the Company entered into an asset purchase agreement and issued 3,000,000 common shares at a fair value of $60,000 for the acquisition of the Company's website (Note 5).

During the period ended September 30, 2019, the Company issued 2,000,000 common shares in a non-brokered private placement at a price of $0.075 per share for total proceeds of $150,000.

During the period ended September 30, 2019, the Company issued 5,000,000 units in a private placement at a price of $0.10 per unit for total proceeds of $500,000. Each unit consists of one common share and one half of one share purchase warrant. Each warrant will entitle the holder to purchase an additional share at a price of $0.15 per share for a period of 3 years from the date of issuance. The fair value of $nil was assigned to these warrants.

During the period ended September 30, 2019, the Company issued 4,021,000 common shares in a private placement at a price of $0.125 per share for gross proceeds of $502,625.

The Company incurred share issuance costs of $28,125 in connection with the private placements completed during the period ended September 30, 2019.

Escrow shares

As at September 30, 2019, 3,000,001 shares and 3,000,000 share purchase warrants are held in escrow and will be released based on the following:

On the date on which the common shares are first listed for trading on the exchange, ("Listing Date"), 300,000 common shares and 300,000 share purchase warrants will be released from escrow. The remaining 2,700,001 common shares and 2,700,000 share purchase warrants will be released pursuant to the following schedule:

6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

(Expressed in Canadian Dollars)

8. Share capital (continued)

Warrants

The continuity of the Company's share purchase warrants pursuant is as follows:

	Number of share purchase warrants #	Weighted average exercise price $
Outstanding, incorporation	-	-
Granted	5,900,000	0.08
Outstanding, September 30, 2019	5,900,000	0.08

As at September 30, 2019, the Company had share purchase warrants exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise price $	Number of warrants #
August 22, 2022	0.15	2,500,000
September 11, 2021	0.15	400,000
May 9, 2024	0.005	3,000,000
		5,900,000

Consignment and Marketing Agreement

The Company entered into an agreement (the "Consignment Agreement") dated September 11, 2019, with Drip Coffee Social Ltd. (the "Consignee") whereas the Company ("Consignor") is willing to deliver and sell cosigned goods and the consignee is willing to assist in marketing cosigned goods at pop-up events.

Pursuant to the Consignment Agreement, the Company issued 400,000 share purchase warrants ("consideration warrants") in consideration of the marketing services. The consideration warrants are exercisable at a price of $0.15 per share for a period of 2 years from the date of issue. The consideration warrants shall vest on completion of the following milestones:

1. 100,000 shall vest following Consignee providing the services for a period of at least one month;
2. 75,000 shall vest upon gross revenues from the sale of the goods exceeding $25,000;
3. 75,000 shall vest upon gross revenues from the sale of the goods exceeding $50,000; and
4. 150,000 shall vest upon gross revenues from the sale of the good exceeding $100,000.

The term of the agreement is 6 months and shall automatically renew for successive 6 month periods.

The fair value of the warrants was determined to be $10,434 using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 100% volatility, a risk free interest rate of 1.59%, and a term of 2 years. The fair value was also calculated based on the estimated probability of completing each milestone. As at September 30, 2019, the Consignee has not provided any services, therefore the fair value assigned to the warrants was recognized as a prepaid expense (Note 3).

Reserve

The warrant reserve records the fair value of the common shares purchase warrants recorded using the Black-Scholes Option Pricing Model.

(Expressed in Canadian Dollars)

9. Income Taxes

A reconciliation of the income taxes at statutory rates to reported taxes is as follows:

	Period from March 26, 2019 (incorporation) to September 30, 2019 $
Net loss	172,723
Statutory tax rate	27%
Expected income tax recovery at the statutory tax rate	46,635
Non-deductible items and other	7,035
Change in unrecognized deductible temporary differences	(53,670)
Income tax recovery	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Period from March 26, 2019 (incorporation) to September 30, 2019 $
Non-capital loss carry-forwards	47,595
Share issuance costs	6,075
Unrecognized deferred tax assets	(53,670)
Deferred tax assets	-

The Company has non-capital losses of approximately $176,000 that will commence expiring in the year 2039.

10. Research and development

The research and development consists of costs incurred in the development of tea and coffee recipes.

11. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

(Expressed in Canadian Dollars)

11. Financial risk and capital management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of September 30, 2019, the Company had working capital of $989,282 to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2019, the Company did not have any financial instruments subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value using level inputs as at September 30, 2019:

	As at September 30, 2019		
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
Cash	855,669	-	-

Accounts payable approximates its fair value due to its short-term maturity.

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Restated Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three and six month period ended March 31, 2020 and the period from incorporation on March 26, 2019 to March 31, 2019

(Expressed in Canadian Dollars)

As at	Notes	March 31, 2020 *(Restated-Note 12)* $	September 30, 2019 $
ASSETS			
Current assets			
Cash		1,519,680	855,669
Sales tax receivable		208,015	-
Prepaid expenses	4	351,823	153,093
Inventory	5	107,374	33,783
		2,186,892	1,042,545
Non-current assets			
Right-of-use asset	10	11,077	-
Intangible assets	6	111,929	117,929
TOTAL ASSETS		**2,309,898**	**1,160,474**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,8	89,472	53,263
Lease liability	10	11,077	-
TOTAL LIABILITIES		**100,549**	53,263
SHAREHOLDERS' EQUITY			
Share capital	9	17,373,727	1,269,500
Reserve	9	1,479,158	10,434
Deficit		(16,643,536)	(172,723)
TOTAL SHAREHOLDERS' EQUITY		**2,209,349**	1,107,211
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,309,898**	**1,160,474**

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Approved on behalf of the Board:

"Dr. Roger McIntyre"

Dr. Roger McIntyre, Director

"Matthew Fish"

Matthew Fish, Director

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)
Restated Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended, March 31, 2020 *(Restated – Note 12)* $	Period from incorporation on March 26, 2019 to March 31, 2019 $	Six months ended, March 31, 2020 *(Restated – Note 12)* $	Period from incorporation on March 26, 2019 to March 31, 2019 $
Revenues	316	-	316	-
Cost of sales	(196)	-	(196)	-
	120	-	120	-
Expenses				
Accounting fees	14,671	-	14,671	-
Advertising and promotion	881,910	-	948,410	-
Amortization (Note 6)	3,000	-	6,000	-
Consulting fees (Note 8)	308,966	-	346,716	-
Filing fees	18,073	-	31,013	-
Foreign exchange	(4,001)	-	(8,296)	-
Legal fees	49,161	-	71,375	-
Office and miscellaneous	170,371	-	173,578	-
Research and development	50,000	-	50,000	-
Share-based compensation (Note 8 and 9)	1,320,452	-	1,320,452	-
Total expenses	(2,812,603)		(2,953,919)	
Other expenses				
Consideration paid in excess of identifiable assets (Note 3)	(13,517,014)	-	(13,517,014)	-
Net loss and comprehensive loss for the period	**(16,329,497)**	**-**	**(16,470,813)**	**-**
Loss per share – basic and diluted	**(0.54)**	**-**	**(0.65)**	**-**
Weighted average number of common shares outstanding – basic and diluted	**30,351,038**	**1**	**25,409,161**	**1**

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)
Restated Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Share capital				
	Number of shares	Amount	Reserve	Deficit	Total
	#	$	$	$	$
Incorporation, March 26, 2019					
Incorporation shares (Note 9)	1	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-
Balance at March 31, 2019	**1**	**-**	**-**	**-**	**-**
Balance at September 30, 2019	20,521,001	1,269,500	10,434	(172,723)	1,107,211
Initial public offering (net of cash share issuance costs) (Notes 1 and 9)	18,916,667	2,581,601	-	-	2,581,601
Non-cash share issuance costs (Note 9)	-	(150,391)	150,391	-	-
Acquisition of Artisan Growers Ltd. (Restated – Notes 3, 8, 9 and 12)	8,800,000	2,552,000	-	-	2,552,000
Acquisition of Novo Formulations Ltd. (Restated – Notes 3, 8, 9 and 12)	13,500,000	4,725,000	-	-	4,725,000
Acquisition of Tassili Life Sciences Corp. (Restated – Notes 3, 8, 9 and 12)	17,500,001	6,387,500	-	-	6,387,500
Finder warrants exercised (Note 9)	21,324	8,517	(2,119)	-	6,398
Share-based compensation (Note 9)	-	-	1,320,452	-	1,320,452
Loss and comprehensive loss for the period	-	-	-	(16,470,813)	(16,470,813)
Balance at March 31, 2020	**79,258,993**	**17,373,727**	**1,479,158**	**(16,643,536)**	**2,209,349**

(Expressed in Canadian Dollars)

	Six months ended March 31, 2020 $	Period from incorporation on March 26, 2019 to March 31, 2019 $
Operating activities		
Net loss for the period	(16,470,813)	-
Items not affecting operating cash:		
Amortization	6,000	-
Consideration paid in excess of identifiable assets	13,517,014	-
Share-based compensation	1,320,452	-
Changes in non-cash working capital items:		
Increase in inventory	(73,591)	-
Increase in sales tax	(44,673)	-
Increase in prepaid expenses	(198,730)	-
Increase in accounts payable and accrued liabilities	10,711	-
Net cash flows used in operating activities	**(1,933,630)**	-
Investing activities		
Cash acquired on asset acquisition	9,642	-
Net cash flows provided by investing activities	**9,642**	-
Financing activities		
Initial public offering, net of share issuance costs	2,581,601	-
Warrants exercised	6,398	-
Net cash flows provided by financing activities	**2,587,999**	-
Increase in cash	664,011	-
Cash, beginning	855,669	-
Cash, ending	**1,519,680**	**-**

1. Nature and continuance of operations

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.) (the "Company") was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of formulation and manufacturing of novel ketamine, anesthetics and delivery platforms for nutraceutical and psychedelic medicine and the formulation and end distribution of a suite of mushroom infused beverage products. On June 7, 2019, the Company changed its name from Nature Leaf Wellness Corp. to Champignon Brands Inc. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") (CSE:SHRM), United States OTC stock market (OTCQB:SHRMF) and on the Frankfurt Stock Exchange (FWB:496). The Company's fiscal year-end is September 30. The Company's primary office (head office and records office) is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4

On February 28, 2020, the Company completed its initial public offering (the "IPO") of 18,916,667 common shares of the Company at a price of $0.15 per share for gross proceeds of $2,837,500. The Company listed its common shares on the CSE effective February 27, 2020 under the trading symbol "SHRM."

These restated condensed interim consolidated financial statements (the "financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at March 31, 2020 the Company had accumulated losses of $16,643,536 (September 30, 2019 - $172,723). Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with issuance of common shares, loans from related parties or profits from its business activities.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Significant accounting policies

Basis of presentation and statement of compliance

Statement of Compliance

These restated condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The accounting policies applied in these financial statements are consistent with those used in the Company's audited financial statements for the period from incorporation on March 26, 2019 to September 30, 2019. There have been no changes from the accounting policies applied in the September 30, 2019 financial statements. The preparation of restated condensed interim consolidated financial staterequires management to make judgments, estimates and assumptions that affect the application of accounting policies and the related amounts of assets and liabilities, revenues and expenses. In management's opinion, all adjustments considered necessary for fair presentation have been included in these restated condensed interim consolidated financial statements.

2. Significant accounting policies (continued)

Statement of Compliance (continued)

Interim results are not necessarily indicative of the results expected for the financial year. Annual results may differ from interim estimates. The significant judgments made by management applied in the preparation of these unaudited restated condensed interim consolidated financial state are consistent with those applied and disclosed in the Company's audited financial statements the period from incorporation on March 26, 2019 to September 30, 2019.

The Board of Directors approved these financial statements on March 9, 2021.

Basis of Presentation

These restated condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

Basis of Consolidation

As at March 31, 2020, the Company has the following subsidiaries:

Name	Country of Incorporation	Interest
Tassili Life Sciences Corp.	Canada	100%
Artisan Growers Ltd.	Canada	100%
Novo Formulations Ltd.	Canada	100%

These restated condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated upon consolidation.

Significant Accounting Policies

In preparing these restated condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the period from incorporation on March 26, 2019 to September 30, 2019, with exception to the new accounting policies adopted by the Company discussed below.

Share-based payments

The Company grants stock options to buy common shares of the Company to Directors, Officers, employees and certain consultants. The Board of Directors grants such options for periods of up to five (5) years, with vesting periods determined at its sole discretion and at prices equal to the discounted market price, as calculated pursuant to the policies of the CSE, or such other minimum price as may be require by the CSE.

2. Significant accounting policies (continued)

Share-based payments (continued)

The fair value is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement or is otherwise beneficial to the grantee at the date of modification over the remaining vested period.

The preparation of financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Changes in Accounting Policy - Leases

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. The Company acquired, through the acquisition of Artisan Growers Ltd (Note 3), a cultivation facility lease expiring on August 1, 2020, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability (Note 10).

Significant Accounting Judgements, Estimates and Assumptions

The preparation of these restated condensed interim consolidated financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statements of financial position date, could result in a material adjustment to the carrying amounts of assets or liabilities. In the event that actual results differ from the assumptions made, relate to, but are not limited to the following:

2. Significant accounting policies (continued)

Significant Accounting Judgements, Estimates and Assumptions (continued)

Share-based payments

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of stock options and warrants granted and the time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes Option Pricing Model.

Estimated useful lives and depreciation of intangible assets

Depreciation of finite-life intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business combinations and asset acquisitions

Judgement is required to determine if the Company's acquisition represented a business combination or asset acquisitions. More specifically, management concluded that none of the Company's acquisitions, outlined in note 3, represented a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the acquisitions represented the purchase of assets, there was no goodwill generated on the transactions and acquisition costs were capitalized to the assets purchased rather than expensed. As the Company concluded that the acquisitions were asset acquisitions, an allocation of the purchase price to the individual identifiable assets acquired, including intangible assets, and liabilities assumed based on their fair values at the date of purchase was required. The fair values of the net assets acquired were calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the restated condensed interim consolidated statement of financial position

3. Asset acquisitions (Restated – Note 12)

Artisan Growers Ltd.

On March 20, 2020, the Company acquired a 100% interest in Artisan Growers Ltd. ("Artisan Growers"). Artisan Growers is a British Columbia based craft mushroom research and cultivation company.

The acquisition has been accounted as a purchase of an asset (Note 2) and a summary is as follows:

(Expressed in Canadian Dollars)

3. Asset acquisitions (Restated – Note 12) (continued)

Purchase price:	$
8,000,000 acquisition common shares (Note 9)	2,320,000
800,000 finder common shares (Note 9)	232,000
Total consideration	2,552,000
Net liabilities acquired:	
Cash	10
Right-of-use asset (Note 10)	11,077
Accounts payable	(25,498)
Lease liability (Note 10)	(11,077)
Total net liabilities acquired	(25,488)
Consideration paid in excess of net liabilities acquired	(2,577,488)

A shareholder and contracted consultant to the Company was also a shareholder of Artisan Growers and was issued 1,280,000 common shares of the Company on the closing of the acquisition of Artisan Growers (Note 8).

The excess paid over the net liabilities acquired was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

Novo Formulations Ltd.

On March 25, 2020, the Company acquire a 100% interest in Novo Formulations Ltd. ("Novo"). Novo is a research and development company developing novel and innovative delivery systems for the pharmaceutical and nutraceutical industries.

The acquisition has been accounted as a purchase of an asset (Note 2) and a summary is as follows:

Purchase Price:	$
12,500,000 acquisition common shares (Note 9)	4,375,000
1,000,000 finder common shares (Note 9)	350,000
Total consideration	4,725,000
Net assets acquired:	
Cash	10
Total net assets acquired	10
Consideration paid in excess of net assets acquired	(4,724,990)

A shareholder and contracted consultant to the Company was also a shareholder of Novo and was issued 1,500,000 common shares of the Company on the closing of the acquisition of Novo (Note 8).

The excess paid over the net assets acquired was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

(Expressed in Canadian Dollars)

3. Asset acquisitions (Restated – Note 12) (continued)

Tassili Life Sciences Corp.

On March 26, 2020, the Company acquired a 100% interest in Tassili Life Sciences Corp. ("Tassili"). Tassili is a research and development Company partnered with a multidisciplinary team of scientists and physicians at the University of Miami and are working to develop effective psilocybin-based therapeutics for the treatment of mild traumatic brain injuries and post traumatic stress disorder.

The acquisition has been accounted as a purchase of an asset (Note 2) and a summary is as follows:

Purchase price:	$
16,000,001 acquisition common shares (Note 9)	5,840,000
1,500,000 finder common shares (Note 9)	547,500
Total consideration	6,387,500
Net assets acquired:	
Cash	9,622
Account receivable	37,496
Sales tax receivable	125,846
Total net assets acquired	172,964
Consideration paid in excess of identifiable assets acquired	(6,214,536)

A shareholder and contracted consultant to the Company was also a shareholder of Tassili and was issued 2,500,000 common shares of the Company on the closing of the acquisition of Tassili (Note 8).

The excess paid over the net assets acquired was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

4. Prepaid expenses

	March 31, 2020	September 30, 2019
	$	$
Advance for pop-up store	45,200	45,200
Advance for production orders	-	72,459
Consignment and marketing services	10,434	10,434
Marketing services	162,856	-
Consulting services	133,333	-
Research and development	-	25,000
	351,823	153,093

5. Inventory (Restated – Note 12)

Inventory consists of the following:

	March 31, 2020	September 30, 2019
	$	$
Raw materials	-	13,783
Finished goods	107,374	20,000
	107,374	33,783

(Expressed in Canadian Dollars)

5. Inventory (Restated – Note 12) (continue)

Raw materials consists of the ingredients used to produce tea. Finished goods consists of Auralite Minerals and finished tea products.

Consignment and Marketing Agreement

The Company entered into an agreement (the "Consignment Agreement") dated September 11, 2019, with Drip Coffee Social Ltd. (the "Consignee") whereas the Company is willing to deliver and sell consigned goods and the consignee is willing to assist in marketing consigned goods at pop-up events.

Pursuant to the Consignment Agreement, the Company issued 400,000 share purchase warrants (the "Consideration Warrants") in consideration of the marketing services. The Consideration Warrants are exercisable at a price of $0.15 per share for a period of 2 years from the date of issue. The Consideration Warrants shall vest on completion of the following milestones:

1. 100,000 shall vest following Consignee providing the services for a period of at least one month;
2. 75,000 shall vest upon gross revenues from the sale of the goods exceeding $25,000;
3. 75,000 shall vest upon gross revenues from the sale of the goods exceeding $50,000; and
4. 150,000 shall vest upon gross revenues from the sale of the good exceeding $100,000.

The term of the Consignment Agreement is 6 months and shall automatically renew for successive 6 month periods.

The fair value of the Consideration Warrants was determined to be $10,434 using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 100% volatility, a risk free interest rate of 1.59%, and a term of 2 years. The fair value was also impacted through management's estimation of the probabilities of completing each milestone.

6. Intangible assets (Restated Note 12)

	Website $
Cost:	
As at March 26, 2019 (incorporation)	**-**
Additions	120,000
As at September 30, 2019 and March 31, 2020	120,000
Accumulated amortization:	
As at March 26, 2019 (incorporation)	**-**
Additions	(2,071)
As at September 30, 2019	(2,071)
Additions	(6,000)
As at March 31, 2020	(8,071)
Net carrying amounts:	
As at September 30, 2019	117,929
As at March 31, 2020	**111,929**

(Expressed in Canadian Dollars)

6. Intangible Assets (Restated – Note 12) (continue)

On May 31, 2019, the Company entered into an asset purchase agreement with Tip Top Gizmos ("Tip Top") to acquire Tip Top's website (the "Website") and all of the intellectual property related to the Website (the "Acquired Assets"). As consideration, the Company paid $50,000 in cash and issued 3,000,000 common shares with a fair value of $60,000. The Company incurred an additional $10,000 for enhancing the features of the Website for the Company's operations. The Company uses the Website (https://vitalitysuperteas.com/) to advertise and sell its products.

7. Accounts payables and accrued liabilities (Restated – Note 12)

	March 31, 2020	September 30, 2019
	$	$
Accounts payable	89,472	31,500
Accrued liabilities	-	21,763
	89,472	53,263

8. Related party transactions and balances

The Company has identified its Directors and certain senior Officers as its key management personnel.

Key management compensation consist of the following for the period from March 26, 2019 (incorporation) to March 31, 2019 and for the six month period ended March 31, 2020:

	March 31, 2020	March 31, 2019
	$	$
Consulting fees charged by the CEO	35,000	-
Consulting fees charged by the CFO	7,500	-
Share-based compensation (Note 9)	69,456	-
	111,956	-

Included in accounts payable and accrued liabilities at March 31, 2020 is $1,575 (September 30, 2019 - $31,500) owed to related parties. This amount is due on demand, unsecured, and without interest.

The Company has also identified a significant shareholder and contracted consultant of the Company (the "Consultant") as a related party for reporting purposes as the Consultant exerted significant influence over the Company. The Consultant was also a shareholder of Artisan Growers, Novo and Tassili and was issued common shares of the Company for these three acquisitions (Notes 3 and 9). In addition, the Consultant was paid $20,000 and issued 1,400,000 options to acquire common shares of the Company during the six month period ended March 31, 2020.

9. Share capital (Restated – Noted 12)

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

(Expressed in Canadian Dollars)

9. Share capital (Restated – Note 12) (continued)

During the six month period ended March 31, 2020, the Company had the following share capital transactions:

On February 28, 2020, the Company completed the IPO (Note 1) and issued 18,916,667 common shares at a price of $0.15 per share for gross proceeds of $2,837,500. The Company paid finders fees of $255,899 and issued 1,513,333 finder warrants (the "Finder Warrants") with an exercise price of $0.30 that expires on February 28, 2022. The grant date fair value of the Finder Warrants was $150,391, using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; expected volatility – 100%; dividend yield – $0; and risk-free rate – 1.19%.

On March 20, 2020, the Company completed the acquisition of Aritsan Growers (Notes 3 and 8) and issued 8,000,000 common shares with a fair value of $2,320,000. The Company also issued 800,000 finder common shares to an arm's length party with a fair value of $232,000.

On March 25, 2020, the Company completed the acquisition of Novo (Notes 3 and 8) and issued 12,500,000 common shares with a fair value of $4,375,000. The Company also issued 1,000,000 finder common shares to an arm's length party with a fair value of $350,000.

On March 26, 2020, the Company completed the acquisition of Tassili (Notes 3 and 8) and issued 16,000,001 common shares with a fair value of $5,840,000. The Company also issued 1,500,000 finder common shares to an arm's length party with a fair value of $547,5000.

On March 20, 2020, the Company announced a normal course issuer bid (the "NCIB") to repurchase up to an aggregate of 2,411,883 common shares of the Company. Purchases may commence through the CSE and/or alternative trading systems on March 27, 2020 and will conclude on the earlier of the date on which purchases under the bid have been completed or March 27, 2021.

During the six-month period ended March 31, 2020, the Company issued 21,324 common shares on the exercise of warrants for gross proceeds of $6,398 and reclassified the original fair value of $2,119 from reserve to share capital.

During the period from incorporation on March 26, 2019 to March 31, 2019, the Company issued one common share on incorporation.

Escrow shares

As at March 31, 2020, 2,700,001 shares and 2,700,000 share purchase warrants are held in escrow and will be released based on the following:

On the date on which the common shares were listed for trading on the CSE (the "Listing Date"), 300,000 common shares and 300,000 share purchase warrants were released from escrow. The remaining 2,700,001 common shares and 2,700,000 share purchase warrants will be released pursuant to the following schedule:

6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

(Expressed in Canadian Dollars)

9. Share capital (Restated – Note 12) (continued)

Warrants

The continuity of the Company's share purchase warrants is as follows:

	Number of share purchase warrants #	Weighted average exercise price $
Outstanding, March 26, 2019 (incorporation)	-	-
Granted	5,900,000	0.08
Outstanding, September 30, 2019	5,900,000	0.08
Granted	1,513,333	0.30
Exercised	(21,324)	0.30
Outstanding, March 31, 2020	7,392,009	0.12

As at March 31, 2020, the Company had share purchase warrants outstanding as follows:

	Exercise price	Number of warrants
Expiry date	$	#
September 11, 2021	0.15	400,000
February 28, 2022	0.30	1,492,009
August 22, 2022	0.15	2,500,000
May 9, 2024	0.005	3,000,000
		7,392,009

Stock Options

The Directors of the Company adopted a Stock Option Plan on October 15, 2019 (the "Plan") that allows it to grant options, subject to regulatory terms and approval, to its Officers, Directors, employees and certain consultants. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of up to 10% of the Company's outstanding common shares, calculated from time to time.

The continuity of the Company's stock options is as follows:

	Number of stock options #	Weighted average exercise price $
Outstanding, March 26, 2019 (incorporation) and September 30, 2019	-	-
Granted	7,900,000	0.32
Outstanding, March 31, 2020	7,900,000	0.32

As at March 31, 2020, the Company had options outstanding and exercisable as follows:

(Expressed in Canadian Dollars)

9. Share capital (Restated – Note 12) (continued)

Expiry date	Exercise price $	Number of options #
March 2, 2022	0.22	3,900,000
March 25, 2022	0.35	2,200,000
March 30, 2022	0.495	1,800,000
		7,900,000

On March 2, 2020, the Company granted stock options to consultants, Directors and Officers to purchase an aggregate of 3,900,000 common shares at an exercise price of $0.22 per common share for up to two years. The options vested upon grant. The grant date fair value of the options was measured at $451,465, using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; expected volatility – 100%; dividend yield – $0; and risk-free rate – 1.19%.

Options (continued)

On March 25, 2020, the Company granted stock options to consultants, Directors and Officers to purchase an aggregate of 2,200,000 common shares at an exercise price of $0.35 per common share for up to two years. the options vested upon grant. The grant date fair value of the options was measured at $403,217, using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; expected volatility – 100%; dividend yield – $0; and risk-free rate – 0.66%.

On March 30, 2020, the Company granted stock options to consultants, Directors and Officers to purchase an aggregate of 1,800,000 common shares at an exercise price of $0.50 per common share for up to two years. The options vested upon grant. The grant date fair value of the options was measured at $465,770, using the Black-Scholes Option Pricing Model with the following assumptions: expected life – 2 years; expected volatility – 100%; dividend yield – $0; and risk-free rate – 0.47%.

Reserves

Reserves consist of the fair value of stock options and compensatory warrants issued.

10. Leases

On March 17, 2020, through the acquisition of Artisan (note 3), the Company acquired a planned cultivation facility lease expiring on August 1, 2020 with monthly lease payment of $2,558, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability. The discount rate applied to the lease is 5%.

Set out below are the carrying amounts of right of use assets and lease liabilities recognized and the movements during the period:

	Right-of-use asset	
	Planned facility lease $	Lease liabilities $
As at September 30, 2019	-	-
Additions (Note 3)	11,077	(11,077)
As at March 31, 2020	11,077	(11,077)

11. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of March 31, 2020, the Company had working capital of $2,086,343 (September 30, 2019 -$989,282) to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020 and September 30, 2019, the Company did not have any financial instruments subject to interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support its business and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the period ended March 31, 2020.

(Expressed in Canadian Dollars)

11. Financial risk and capital management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Accounts payable approximates its fair value due to its short-term maturity. Cash is measured at level 1 fair value financial asset.

12. Restatements

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 on May 29, 2020, management had determined that the financial statements needed to be restated to correct for the acquisition of assets. The Company determined that the intangible assets did not meet the definition of an intangible assets under international financial reporting standards (Notes 3 and 9).

The effects of the restatement on the condensed interim consolidated statement of financial position, statement of loss and comprehensive loss and cash flows for the period ended March 31, 2020 are summarized below.

Condensed Interim Consolidated Statement of Financial Position as at March 31, 2020:

As at	Previously reported $	Adjustments $	Restated $
ASSETS			
Current assets			
Cash	1,519,680	-	1,519,680
Sales tax receivable	208,015	-	208,015
Prepaid expenses	351,823	-	351,823
Inventory	117,374	(10,000)	107,374
	2,196,892	(10,000)	2,186,892
Non-current assets			
Right-of-use asset	11,077	-	11,077
Intangible assets	11,860,462	(11,748,533)	111,929
TOTAL ASSETS	**14,068,431**	**(11,758,533)**	**2,309,898**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	63,994	25,478	89,472
Lease liability	11,077	-	11,077
TOTAL LIABILITIES	**75,071**	**25,478**	**100,559**
SHAREHOLDERS' EQUITY			
Share capital	15,603,227	1,770,500	17,373,727
Reserve	1,479,158	-	1,479,158
Deficit	(3,089,025)	(13,554,511)	(16,643,536)
TOTAL SHAREHOLDERS' EQUITY	**13,993,360**	**(11,784,011)**	**2,209,349**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,068,431**	**(11,758,533)**	**2,309,908**

(Expressed in Canadian Dollars)

12. Restatements (continued)

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss for the three-month period ended March 31, 2020:

	Previously reported $	Adjustment $	Restated $
Revenues	316	-	316
Cost of sales	(196)	-	(196)
	120	-	120
Expenses			
Accounting fees	14,671	-	14,671
Advertising and promotion	881,910	-	881,910
Amortization	3,000	-	3,000
Consulting fees	308,966	-	308,966
Filing fees	18,073	-	18,073
Foreign exchange	(4,001)	-	(4,001)
Legal fees	49,161	-	49,161
Office and miscellaneous	132,874	37,497	170,371
Research and development	50,000	-	50,000
Share-based compensation	1,320,452	-	1,320,452
Total expenses	(2,775,106)	(37,497)	(2,812,603)
Other expenses			
Consideration paid in excess of identifiable assets	-	(13,517,014)	(13,517,014)
Net loss and comprehensive loss for the period	**(2,774,986)**	**(13,554,511)**	**(16,329,497)**

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss for the six-month period ended March 31, 2020:

	Previously reported $	Adjustment $	Restated $
Revenues	316	-	316
Cost of sales	(196)	-	(196)
	120	-	120
Expenses			
Accounting fees	14,671	-	14,671
Advertising and promotion	948,410	-	948,410
Amortization	6,000	-	6,000
Consulting fees	346,716	-	346,716
Filing fees	31,013	-	31,013
Foreign exchange	(8,296)	-	(8,296)
Legal fees	71,375	-	71,375
Office and miscellaneous	136,081	37,497	173,578
Research and development	50,000	-	50,000
Share-based compensation	1,320,452	-	1,320,452
Total expenses	(2,916,422)	37,497	(2,953,919)
Other expenses			
Consideration paid in excess of identifiable assets	-	(13,517,014)	(13,517,014)
Net loss and comprehensive loss for the period	**(2,916,302)**	**(13,554,511)**	**(16,470,813)**

(Expressed in Canadian Dollars)

12. Restatements (continued)

Condensed Interim Consolidated Statement of Cash Flows for the six-month period ended March 31, 2020:

	Previously Reported $	Adjustment $	Restated $
Operating activities			
Net loss for the period	(2,916,302)	(13,554,511)	(16,470,813)
Items not affecting operating cash:			
Amortization	6,000	-	6,000
Consideration paid in excess of identifiable assets	-	13,517,014	13,517,014
Share-based compensation	1,320,452	-	1,320,452
Changes in non-cash working capital items:			
Increase in inventory	(73,591)	-	(73,591)
Increase in sales tax	(82,169)	37,496	(44,673)
Increase in prepaid expenses	(198,730)	-	(198,730)
Increase in accounts payable and accrued liabilities	10,731	(20)	10,711
Net cash flows used in operating activities	(1,933,609)	(21)	(1,933,630)
Investing activities			
Cash acquired on asset acquisition	9,621	21	9,642
Net cash flows provided by investing activities	9,621	21	9,642
Financing activities			
Initial public offering, net of share issuance costs	2,581,601	-	2,581,601
Warrants exercised	6,398	-	6,398
Net cash flows provided by financing activities	2,587,999	-	2,587,999
Increase in cash	664,011	-	664,011
Cash, beginning	855,669	-	855,669
Cash, ending	1,519,680	-	1,519,680

13. Subsequent events

a.) On April 10, 2020 (and as completed on April 30, 2020), the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Altmed Capital Corp. ("Altmed"), a private company incorporated on September 9, 2019 and involved in the psychedelics industry. Pursuant to the Amalgamation Agreement, the Company acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 common shares of the Company for every 1 Altmed share held) common shares in the capital of the Company to the shareholders of Altmed (collectively, the "Transaction"). The Company also issued a total of 2,100,000 replacement warrants to warrant holders of Altmed. Lastly, the Company issued 2,000,000 common shares as finders' shares (the "Finders' Shares") in connection with the Transaction. The Finders' Shares were valued at $1,700,000 ($0.85 per share) and were recorded as a direct cost of the Transaction.

13. Subsequent events (continued)

A significant shareholder and contracted consultant to the Company was also a shareholder of Altmed and was issued 6,018,000 common shares of the Company on the closing of the Transaction.

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes a reverse takeover transaction ("RTO") of the Company by Altmed and has been accounted for as an RTO. The Company qualified as a business under the definitions of IFRS 3, and the Transaction will be treated as an issuance of common shares by Altmed for the net assets (liabilities) of the Company as well as the Company's public listing, with Altmed as the continuing entity. For accounting purposes, Altmed will be treated as the accounting parent company (legal subsidiary) and the Company as the accounting subsidiary (legal parent).

b) On May 10, 2020, the Company executed a non binding term sheet agreement (the "Term Sheet") to acquire 100% of U.S. based Wellness Clinic of Orange County Inc. (the "Wellness Clinic"). The Wellness Clinic operates a ketamine infusion treatment centre located within the Mission Hospital's Laguna Beach Campus and is actively involved in research and complementary treatment protocols.

As consideration, the term sheet contemplates the following:

- US $600,000 on the date of closing;
- 1,000,000 common shares of the Company on the date of closing (the "Initial Share Issuance"); and,
- 500,000 common shares payable only if the Wellness Clinic collects revenues of at least US $1,500,000 within 18 months from the date of closing.

The Initial Share Issuance is subject to a 12-month escrow period, and with the 500,000 common shares released 6 months following the closing date.

On July 1, 2020 the term sheet was terminated.

c) On May 13, 2020, the Company entered into a letter agreement with Canaccord Genuity Corp. ("Canaccord Genuity") and Eight Capital ("Eight" and together with Canaccord Genuity, the "Co-Lead Underwriters"), to purchase, on a bought deal private placement basis (the "Bought Deal"), 17,647,500 units of the Company (the "Units") at a price of $0.85 per Unit (the "Issue Price") amounting to aggregate gross proceeds of $15,000,375 (the "Offering").

Each Unit shall be comprised of one common share of the Company and one half of one common share purchase warrant of the Company. Each warrant shall be exercisable to acquire one common share at a price of $1.15 per purchase warrant for a period of 24 months from the closing of the Offering.

The Company has agreed to pay the Underwriters a cash commission payable on the closing date of the Offering equal to 7% of the aggregate gross proceeds of the Offering and to issue the Underwriters warrants (the "Broker Warrants"), exercisable to acquire, within 24 months from the closing of the Offering, in the aggregate, that number of Units which is equal to 7.0% of the number of Units sold under the Offering. The Company also agrees to pay to the Underwriters a corporate finance fee consisted of $51,588 and 60,692 Broker Warrants.

d) On May 11, 2020, the Company granted 3,750,000 stock options to Officers with an exercise price of $0.99 and expire on May 11, 2022.

e) On June 1, 2020, the Company granted 150,000 stock options to Storyboard Communications Corp. with an exercise price of $1.69 and expire on June 1, 2022.

13. Subsequent events (continued)

f) On June 11, 2020, the Company announced the closing of its "bought deal" private placement (the "Offering") of units of the Company ("Units") for aggregate gross proceeds of $15,000,375 which includes the full exercise of the option granted to the Underwriters (as defined below). A total of 17,647,500 Units were sold pursuant to the Offering at a price of $0.85 per Unit. Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (a "Warrant Share") at a price of $1.15 per Warrant Share until June 11, 2022. The Offering was completed by a syndicate of underwriters co-led by Canaccord Genuity Corp. and Eight Capital, and includes Gravitas Securities Inc. (collectively, the "Underwriters"). All securities issued pursuant to the Offering are subject to a statutory four month and one day hold period. The Company intends to use the net proceeds of the Offering for the Company's North American clinical expansion program as well as for general working capital purposes.

g) On June 22, 2020, the Company had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission"). The review related 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 asset acquisitions completed by Champignon prior to the RTO. In connection with the review, the Commission issued a cease trade order suspending trading in the securities of the Company, pending the filing of business acquisition reports by the Company in connection with the acquisitions completed by Champignon, of Artisan Growers, Novo and Tassili. As a result of the cease trade order, trading in the common shares of the Company was suspended on the Canadian Securities Exchange. In July 2020, the Company filed all of the required business acquisition reports and the cease trade order was subsequently revoked. Concurrently with the revocation of the cease trade order, the Commission issued a replacement cease trade order, pending the filing of a revised material change report in connection with the RTO. Management continues to work with the Commission to have the cease trade order rescinded, which will allow securities of the Company to recommence trading.

h) Subsequent to March 31, 2020, the Company completed share buy backs totaling of 1,235,500 common shares for total consideration of $778,073.

i) Subsequent to March 31, 2020, the Company issued 3,845,219 common shares pursuant to warrant exercises for gross proceeds of $776,066.

j) Subsequent to March 31, 2020, the Company is obligated to issue shares in amount of 400,000 pursuant to proceeds received on the exercise of 150,000 stock options ($33,000) and a consulting agreement ($222,500).

k) Subsequent to March 31, 2020, the Company received and has shipped two $50,000 bulk purchase orders for its consumer-packaged goods. These orders were final sales.

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Condensed Interim Consolidated Financial Statements

For the three and six months ended

September 30, 2020

Unaudited

(Expressed in Canadian Dollars)

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Condensed Interim Consolidated Statements of Financial Position

Unaudited – Prepared by Management

As at September 30, 2020 and March 31, 2020

	Note	September 30, 2020 $	March 31, 2020 $
Assets			
Current assets			
Cash		12,595,540	3,051,566
GST receivable		213,682	1,930
Prepaid expenses	5	616,290	10,197
Inventory	6	33,456	-
		13,458,968	3,063,693
Non-current assets			
Prepaid expenses – non-current	5	504,962	-
Property and equipment	7	22,439	-
Intangible assets	8	105,929	-
Goodwill	3, 8	6,980,803	-
Total assets		21,073,101	3,063,693
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		999,012	19,075
Accrued liabilities		47,893	10,000
Deferred revenue		16,150	-
Promissory note payable	12	49,967	49,967
Total liabilities		1,113,022	79,042
Shareholders' equity			
Share capital	9	93,980,117	3,247,715
Subscription receivable	9	-	(275,000)
Obligation to issue shares	9	255,500	60,000
Reserves	9	12,341,092	1,877,093
Deficit		(86,616,630)	(1,925,157)
Total shareholders' equity		19,960,079	2,984,651
Total liabilities and shareholders' equity		21,073,101	3,063,693

Nature of operations and going concern (Note 1)
Commitment (Note 14)
Event after the reporting period (Note 15)

Approved on behalf of the Board of Directors on March 9, 2021:

"Dr. Roger McIntyre" **Director** *"Matthew Fish"* **Director**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

	Note	For the three month period ended, September 30, 2020 $	For the period from incorporation on September 9 to September 30, 2019 $	For the six month period ended September 30, 2020 $	For the period from incorporation on September 9 to September 30, 2019 $
Revenue		249,049	-	474,858	-
Cost of sales		(245,446)	-	(411,018)	-
		3,603	-	63,840	-
Expenses					
Advertising and promotion		514,022	-	1,117,456	-
Consulting fees	10	439,646	-	866,490	-
Depreciation	7, 8	5,971	-	11,539	-
Finance charges		-	-	134	-
Foreign exchange		(906)	-	(1,006)	-
Office and miscellaneous		114,907	-	280,330	-
Professional fees	10	420,243	-	781,627	-
Research and development		445,916	-	974,748	-
Salaries		42,762	-	80,800	-
Share-based compensation		33,066	-	2,808,726	-
Website development		40,586	-	40,586	-
Loss from operating expenses		(2,056,183)	-	(6,961,430)	**-**
Listing expense	4	-	-	(77,793,883)	-
Loss and comprehensive loss for the period		**(2,052,580)**	**-**	**(84,691,473)**	**-**
Weighted average number of common shares – basic and diluted		177,290,212	1	141,080,646	1
Basic and diluted loss per share		(0.01)	(0.00)	(0.60)	(0.00)

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited – Prepared by Management

For the period from incorporation on September 9, 2019 to March 31, 2020 and the six months ended September 30, 2020

	Note	Number of shares #	Share Capital $	Subscription receivable $	Obligation to issue shares $	Reserves $	Deficit $	Total shareholders' equity $
September 9, 2019 (date of incorporation)		-	-	-	-	-	-	-
Common shares issued for cash	9	23,092	3,247,715	(275,000)	-	533,400	-	3,506,115
Obligation to issue shares	9	-	-	-	60,000	-	-	60,000
Warrants issued for services	9	-	-	-	-	1,343,693	-	1,343,693
Net loss for the period		-	-	-	-	-	(1,925,157)	(1,925,157)
March 31, 2020		23,092	3,247,715	(275,000)	60,000	1,877,093	(1,925,157)	2,984,651
Exercise of warrants	9	4,000	1,200,000	-	-	(1,199,996)		4
Common shares issued for cash	9	290	145,000	-	(60,000)	-	-	85,000
Share subscription received	9	-	-	275,000	-	-	-	275,000
Acquisition of CRTCE	3, 9	10,455	5,227,500	-	-	-	-	5,227,500
Reverse acquisition transaction								
Equity of Champignon	4	81,299,030	16,410,176	-	-	1,247,938	(16,677,990)	980,124
Elimination of equity of Champignon	4	-	(16,410,176)	-	-	(1,247,938)	16,677,990	(980,124)
Shares acquired from legal subsidiary	4	(37,837)	-	-	-	-	-	
Issuance of shares pursuant to RTO	4, 9	75,674,000	69,104,176	-	-	-	-	69,104,176
Options and warrants assumed pursuant to RTO	4, 9	-	-	-	-	8,229,831	-	8,229,831
Issuance of finders' shares pursuant to RTO	4, 9	2,000,000	1,700,000	-	-	-	-	1,700,000
Issuance of units pursuant to private placement, net of issuance cost	9	17,647,500	13,192,958	-	-	642,301	-	13,835,259
Exercise of finders' warrants	9	169,682	67,768	-	-	(16,863)	-	50,905
Exercise of warrants	9	500,000	95,000	-	-	-	-	95,000
Obligation to issue shares	9	-	-	-	255,500	-	-	255,500
Share-based compensation	9	-	-	-	-	2,808,726	-	2,808,726
Net loss for the period		-	-	-	-	-	(84,691,473)	(84,691,473)
September 30, 2020		177,290,212	93,980,117	-	255,500	12,341,092	(86,616,630)	19,960,079

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

	For the six month period ended September 30, 2020 $	For the period from incorporation on September 9, 2019 to September 30, 2019 $
Operating activities		
Net loss for the period	(84,691,473)	-
Depreciation	11,482	-
Finance charges	134	-
Shares issuable for services	222,500	-
Share-based compensation	2,808,726	-
Listing expense	77,793,883	-
Net change in non-cash working capital items	316,618	-
	(3,538,130)	**-**
Financing activities		
Issuance of shares/units for cash, net	13,920,259	-
Proceeds from the exercise of finders' warrants	50,905	-
Proceeds from the exercise of warrants	95,004	-
Proceeds from the exercise of stock options	33,000	-
Share subscriptions received	275,000	-
	14,374,168	**-**
Investing activities		
Cash acquired on acquisition of CRTCE	33,076	-
Cash paid on acquisition of CRTCE	(1,500,000)	-
Cash acquired on reverse acquisition	182,535	-
Lease payments made	(7,675)	-
	(1,292,064)	**-**
Change in cash	9,543,974	-
Cash, beginning of period	3,051,566	-
Cash, end of period	**12,595,540**	**-**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of operations and going concern

Champignon Brands Inc. (formerly, Nature Leaf Wellness Corp.) ("Champignon" or the "Company") was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. On June 7, 2019, the Company changed its name from "Nature Leaf Wellness Corp." to "Champignon Brands Inc.". The Company's primary office (head office and records office) is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4. The Company is engaged in the business of formulation and manufacturing of novel ketamine, ketamine derivatives and other psychedelics, and delivery platforms for nutraceutical and psychedelic medicine while being supported by its psychedelic medicine clinic platform.

Altmed Capital Corp. ("Altmed") was incorporated under the Canada Business Corporations Act on September 9, 2019. Altmed's registered office is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4. Altmed is in the start-up stage and is involved in the psychedelic industry.

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Altmed (Note 4). Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed (collectively, the "Transaction"). Champignon also issued a total of 2,100,000 replacement warrants to warrant holders of Altmed. Lastly, the Company issued 2,000,000 common shares as finders' shares (the "Finders' Shares") in connection with the Transaction. The Transaction constitutes a reverse acquisition ("RTO") of Champignon by Altmed, with Altmed being the acquirer for accounting purposes. Accordingly, these condensed interim consolidated financial statements (the "financial statements") are a continuation of Altmed, with the net assets (liabilities) of Champignon being consolidated from April 30, 2020, as well as Champignon's operating results from that date forward. The comparative figures are those of Altmed.

These condensed interim consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As a company in the startup stage, the Company does not have traditional revenue sources, and historically has relied on share capital financing to cover its research, development and other operating expenditures.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2020, the Company had working capital of $12,345,946 (March 31, 2020 - $2,984,651), however, the Company has yet to achieve profitable operations, has accumulated losses of $86,616,630 (March 31, 2020 - $1,925,157) since inception and expects to incur further losses in the development of its business. Although the historical losses cast significant doubt about the Company's ability to continue as a going concern, management has assessed that its overall working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus, specifically identified as "COVID-19" a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct development activities. There are travel restrictions and health and safety concerns in all areas in which the Company operates that may prohibit or delay certain operating activities from proceeding. Various government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic. To date, neither the Company nor its subsidiaries have qualified for assistance, but the various programs are constantly being expanded and relaxed, which may qualify the Company and its subsidiaries for assistance.

1. Nature of operations and going concern (continued)

On June 22, 2020, Champignon had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission"). The review related to the Champignon's disclosure obligations since it became a reporting issuer on February 6, 2020 and includes a review of the disclosure surrounding certain asset acquisitions completed by Champignon prior to the RTO. In connection with the review, the Commission issued a cease trade order suspending trading in the securities of Champignon, pending the filing of business acquisition reports by the Company in connection with the acquisitions completed by Champignon, 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. In July 2020, the Company filed all of the required business acquisition reports and the cease trade order was subsequently revoked.

Concurrently with the revocation of the cease trade order, the Commission issued a replacement cease trade order, pending the filing of a revised material change report in connection with the RTO. Management continues to work with the Commission to have the cease trade order rescinded, which will allow securities of the Company to recommence trading.

2. Significant accounting policies

Basis of presentation

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the period ended March 31, 2020, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements should be read in conjunction with the annual audited financial statements.

These condensed interim consolidated financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

These financial statements were approved by the board of directors on March 9, 2021.

Basis of consolidation

These financial statements include the accounts of the Company and its wholly-owned, Canadian subsidiaries, as follows:

Champignon	Legal parent company
Altmed	Psychedelic and health company
Tassili Life Science Corp. ("TLS")	Research and development company
Artisan Growers Ltd. ("AGL")	Mushroom cultivation company
Novo Formulations Ltd. ("NOVO")	Research and development company
Canadian Rapid Treatment Centre of Excellence ("CRTCE")	Ketamine clinic company

A subsidiary is an entity controlled by the Company and is included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed where necessary to align them with the policies adopted by the Company.

These financial statements account for Champignon as a controlled entity requiring consolidation since the date of the RTO (Notes 1 and 4), effective April 30, 2020.

2. Significant accounting policies (continued)

Basis of consolidation (continue)

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in the preparation of these financial statements.

Significant accounting policies

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the period from incorporation on September 9, 2019 to March 31, 2020, with exception to the new accounting policies adopted by the Company discussed below.

Share-based payments

Champignon grants stock options to buy common shares of the Company to Directors, Officers, employees and certain consultants. The Board of Directors grants such options for periods of up to five (5) years, with vesting periods determined at its sole discretion and at prices equal to the discounted market price, as calculated pursuant to the policies of the CSE, or such other minimum price as may be required by the CSE.

The fair value is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement or is otherwise beneficial to the grantee at the date of modification over the remaining vested period.

The preparation of financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Changes in Accounting Policy - Leases

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. Champignon acquired, through the acquisition of AGL, a cultivation facility lease expiring on August 1, 2020, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability (Note 7).

2. Significant accounting policies (continued)

Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. Equipment not available for use is not subject to depreciation. Depreciation is recognized on a straight-line basis over a term of five years.

An asset's residual value, useful life and depreciation method is reviewed at each reporting period and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs that meet the asset recognition criteria are capitalized, while costs incurred that do not extend the economic useful life of an asset are considered repairs and maintenance, which are accounted for as an expense recognized during the period. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost based upon the weighted average method of inventory costing. The realizable value of finished goods is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of finished goods inventory is based on landed cost, which includes all costs incurred to bring inventory to the Company including product, conversion and packaging costs. If the Company determines the estimated net realizable value of the inventory is less than the carrying value of such inventory, it records a charge to cost of sales.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The Company capitalizes direct costs that are directly attributable to the acquisition or development of its website. The Company capitalizes direct costs incurred during the application and infrastructure development and graphical design development stages of its website development projects. All website costs incurred during the preliminary project stage, including planning and research, are expensed as incurred, as well as any costs incurred for content development and costs incurred once development is complete.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the remaining amortization periods or methods, as appropriate, and are treated as changes in accounting estimates.

Intangible assets are amortized over the following methods and periods:

Type	Amortization method
Website	Straight-line basis over 10 years

Business combinations

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed to profit or loss. Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions.

2. Significant accounting policies (continued)

Intangible assets (continued)

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

During the measurement period (one year from the date of acquisition), the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statement of loss and comprehensive loss.

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit (“CGU”) or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

Impairment of intangible assets and goodwill

Goodwill and intangible assets with an indefinite life or not yet available for use are tested for impairment annually, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment.

Goodwill and indefinite life intangible assets are tested annually for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Goodwill is allocated to CGUs or groups of CGU’s for impairment testing based on the level at which it is monitored by management, and not at a level higher than an operating segment. Goodwill is allocated to those CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill arose, which requires the use of judgment.

An impairment loss is recognized for the amount by which the CGU’s carrying amount exceeds it recoverable amount. The recoverable amounts of the CGUs’ assets have been determined based on a fair value less costs of disposal. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying value of assets in the CGU. Any impairment is recorded in profit and loss in the period in which the impairment is identified. A reversal of an asset impairment loss is allocated to the assets of the CGU on a pro rata basis. In allocating a reversal of an impairment loss, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior period. Impairment losses on goodwill are not subsequently reversed.

2. Significant accounting policies (continued)

Research and development expenditures

Expenditures on research activities are recognized as an expense in the period in which they are incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Revenue recognition

The Company adopted all requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 utilizes a methodical framework for entities to follow to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The IFRS 15 model contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

The Company derives revenues from the sale of tea products, the resale of Auralite minerals, and providing health services. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

The sale of tea products and Auralite minerals is recognized when the products are shipped, or the products delivered, respectively, and when all significant contractual obligations have been satisfied. Revenues from providing health services is recognized when services have been delivered and all significant contractual obligations have been satisfied. There is no unfulfilled obligation that could affect the customer's acceptance of the products after delivering the product. Revenue is shown net of returns and discounts.

In respect of the operations of CRTCE (Note 13) it derives revenue from providing Ketamine infusion treatments to patients. Initial treatments consist of four separate treatments over a two-week period. Revenues are recognized when each treatment is completed and payment is received or receivable upon rendering of treatments, provided that the amount to be received can be reasonably estimated and collection is reasonably assured. Payments received prior to patients receiving treatments is recorded as deferred revenue.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

2. Significant accounting policies (continued)

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates:

The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

Judgments:

(i) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(ii) Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. Estimates are made as to the fair value of assets and liabilities acquired. The determination of these fair values involves a variety of assumptions. The Company measures all the assets acquired and liabilities assumed at their acquisition date fair values. Acquisition related costs are recognized as expenses in the periods in which the costs are incurred and the services are received. The excess of the aggregate of the consideration paid to obtain control over the net identifiable assets acquired and the liabilities assumed (net assets) in an asset acquisition, is recognized as a listing expense as of the acquisition date. The fair value of common shares issued as consideration paid based on a concurrent private placement is considered a significant judgment.

(iii) Under IFRS, an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use. The Company's approach in determining the recoverable amount utilizes a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgments are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated. A difference in testing levels could affect whether an impairment is recorded and the extent of impairment loss. Changes in the Company's business activities or structure may also result in changes to the level of testing in future periods.

3. Business combination

On April 10, 2020 (and as amended and completed on April 29, 2020), Altmed entered into a Share Purchase Agreement (the "Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE"), a ketamine clinic licensed by the College of Physicians and Surgeons in Ontario, Canada. Pursuant to the terms of the Share Purchase Agreement, Altmed paid $1,500,000 in cash consideration and issued a total of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share). This acquisition has been accounted for as a business combination as CRTCE met the definition of a business under IFRS 3, *Business Combinations* ("IFRS 3").

In accordance with IFRS 3, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

Altmed is in the process of assessing the fair value of the net assets acquired and, as a result, the fair value of the net assets acquired may be subject to adjustments pending completion of final valuations and post-closing adjustments. The table below summarizes the preliminary estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets (liabilities) of CRTCE acquired:	April 29, 2020 $
Cash	33,076
Receivables	503
Prepaid expenses	2,354
Equipment	21,632
Shareholder loan	7,354
Accounts payable and accrued liabilities	(58,222)
Net assets acquired	6,697

Consideration paid on business combination:	$
Common shares (fair value of 10,455 common shares $500 per share)	5,227,500
Cash consideration	1,500,000
Total consideration paid	6,727,500
Allocation of excess consideration over the fair value of net assets acquired:	
Goodwill (Note 8)	6,720,803

4. Reverse acquisition

As described in Note 1, on April 30, 2020, Champignon and Altmed completed a Transaction which constituted a RTO.

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes an RTO of Champignon by Altmed and has been accounted for as a RTO. Champignon qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an issuance of common shares by Altmed for the net assets (liabilities) of Champignon as well as Champignon's public listing, with Altmed as the continuing entity. Goodwill was recorded with respect to the Transaction, reflecting management's estimate of the fair value of Champignon's artisanal mushroom infused beverage business. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, Altmed is treated as the accounting parent company (legal subsidiary) and Champignon as the accounting subsidiary (legal parent) in these financial statements. As Altmed was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Champignon's results of operations have been included from April 30, 2020 onwards.

4. Reverse acquisition (continued)

The Company is in the process of assessing the fair value of the net assets acquired and, as a result, the fair value of the net assets acquired may be subject to adjustments pending completion of final valuations and post-closing adjustments. The table below summarizes the preliminary estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets (liabilities) of Champignon Brands Inc. acquired:	April 30, 2020 $
Cash	182,535
Receivables	207,922
Inventory	107,891
Prepaid expenses	839,154
Equipment	6,853
Intangible assets – website	108,929
Accounts payable and accrued liabilities	(465,619)
Lease liability	(7,541)
Net assets acquired	980,124
Consideration paid on RTO:	$
Common shares (fair value of 81,299,030 common shares $0.85 per share)	69,104,176
Options and warrants assumed at RTO (Note 9)	8,229,831
Finder's common shares (fair value of 2,000,000 common shares at $0.85 per share)	1,700,000
Total consideration paid	79,034,007
Allocation of excess consideration over the fair value of net assets acquired:	
Goodwill	260,000
Listing expense	77,793,883

The Transaction was measured at the fair value of the shares options and warrants that Altmed would have had to issue to the shareholders of Champignon, to give the shareholders of Champignon the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Altmed acquiring Champignon.

A shareholder and contracted consultant to Champignon was also a shareholder of Altmed and was issued 6,018,000 common shares of Champignon on the closing of the RTO.

5. Prepaid expenses

Prepaid expenses consist of the following:

	September 30,2020 $	March 31, 2020 $
Advance for "pop-up" store	45,200	-
Prepaids	270,622	10,197
Consulting services	56,892	-
Marketing services	748,538	-
	1,121,252	10,197
Current portion	616,290	10,197
Non-current portion	504,962	-
Total	1,121,252	10,197

6. Inventory

Inventory consists of the following:

	September 30, 2020	March 31, 2020
	$	$
Finished goods	33,456	-
	33,456	-

Finished goods consists of Auralite minerals and tea products purchased with the purpose of reselling.

7. Property and equipment

Cost	Right-of-use asset	Lab equipment $	Computers $	Total $
September 9, 2019 (date of incorporation) and March 31, 2020		-		-
Additions (Notes 3 and 4)	6,853	21,632	1,806	30,291
September 30, 2020	6,853	21,632	1,806	30,291
Accumulated depreciation				
September 9, 2019 (date of incorporation) and March 31, 2020	-	-		-
Depreciation	(6,853)	(772)	(227)	(7,852)
September 30, 2020	(6,853)	(722)	(227)	(7,852)
Net book value				
March 31, 2020	-	-		-
September 30, 2020	-	20,860	1,579	22,439

The Company's right-of-use asset is the lease of an office space by AGL (Note 4). Lab equipment is used by CRTCE in their clinical space (Note 3).

The right-of-use asset is being depreciated over the remaining lease term, and the lab equipment is being depreciated straight-line over five years.

Lease liability

A reconciliation of the carrying amount of the lease liability as at September 30, 2020 and for the period then ended is as follows:

Lease liability	September 30,2020 $
September 9, 2019 (date of incorporation) and March 31, 2020	-
Additions (Note 4)	7,541
Finance charges (accretion)	134
Lease payments	(7,675)
September 30, 2020	-

Short-term leases are leases with a lease term of twelve months or less. As at September 30, 2020 and March 31, 2020, the Company did not have any short-term leases. As at September 30, 2020, there were no extension options that were reasonably certain to be exercised included in the measurement of the lease liability, and there were no leases with residual value guarantees.

8. Intangible assets and goodwill

Intangible assets:

	Website $
Cost	
September 9, 2019 (date of incorporation) and March 31, 2020	-
Additions (Note 4)	108,929
September 30, 2020	108,929
Accumulated amortization	
September 9, 2019 (date of incorporation) and March 31, 2020	-
Additions	3,000
September 30, 2020	3,000
Net book value	
As at March 31, 2020	-
As at September 30, 2020	105,929

Goodwill:

	CRTCE $	Champignon $	Total $
Goodwill:			
September 9, 2019 (date of incorporation) and March 31, 2020	-	-	-
Additions (Notes 3 and 4)	6,720,803	260,000	6,980,803
September 30, 2020	6,720,803	260,000	6,980,803
Net book value			
As at March 31, 2020	-	-	-
As at September 30, 2020	6,720,803	260,000	6,980,803

Management is in the process of gathering the relevant information that existed at the acquisition dates to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase prices were provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date. The values assigned are, therefore, preliminary and subject to change. Management continues to finalize the purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill.

9. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the six months ended September 30, 2020:

On April 3, 2020, Altmed issued 4,000 common shares pursuant to warrant exercises for gross proceeds of $4. In connection with the warrants exercised, the original fair value of $1,199,996 was reversed from reserves and credited to share capital.

On April 6, 2020, Altmed issued 290 common shares for gross proceeds of $145,000 ($500 per share). Of the total proceeds, $60,000 received as at March 31, 2020 was applied towards the private placement completed.

On April 29, 2020, Altmed issued a total of 10,455 common shares pursuant to the Share Purchase Agreement with CRTCE (Note 3) with a total fair value of $5,227,500 ($500 per share).

9. Share capital (continued)

On April 10, 2020, Altmed issued of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share) in connection with acquisition of CRTCE (Note 3).

On April 30, 2020, Altmed completed the RTO with Champignon and 75,674,000 Champignon's common shares with a fair value of $69,104,176 were issued to the Altmed shareholders and 2,000,000 Champignon's common shares were issued as finder's fees at the fair value of $1,700,000 (Notes 1 and 4).

On June 11, 2020, the Company completed a private placement whereby a total of 17,647,500 units (the "Units") were issued at a price of $0.85 per Unit for gross proceeds of $15,000,375. Each Unit consists of one common share and one half of one warrant (total warrants attached 8,823,750), with each whole warrant being exercisable at a price of $1.15 for a period expiring on June 11, 2022. No value was allocated to the warrant component of the Units. In connection with the Unit offering completed, the Company paid finders' fees of $1,165,116 and issued a total of 1,235,326 finders' warrants (the "Unit Finders' Warrants") for a fair value of $642,301. The Unit Finders' Warrants are exercisable into Units of the Company at an exercise price of $0.85 and an expiration date of June 11, 2022. The fair value of the Unit Finders' Warrants was estimated at $642,301 using the Black-Scholes option pricing model with the following assumptions: expected life – 1.7 years; expected volatility – 100%; dividend yield – $0; and risk-free rate – 0.25%.

During the period ended September 30, 2020, the Company issued 169,682 common shares on the exercise of finders' warrants for gross proceeds of $50,905. In connection with the finders' warrants exercised, the original fair value of $16,863 was reversed from reserves and credited to share capital in addition.

During the period ended September 30, 2020, the Company issued 500,000 common shares on the exercise of warrants for gross proceeds of $95,000.

As at September 30, 2020, the Company has recorded an obligation to issue shares in an amount of $255,500 pursuant to proceeds received on the exercise of 150,000 stock options ($33,000) and a consulting agreement ($222,500) (Notes 14 and 15).

Transactions for the issue of share capital
during the period from September 9, 2019 (date of incorporation) to March 31, 2020:

On September 9, 2019, Altmed issued 10,001 common shares for gross proceeds of $10 ($0.0001 per share).

On October 15, 2019, Altmed issued 5,000 common shares for gross proceeds of $5 ($0.0001 per share).

On December 7, 2019, Altmed issued 1,322 common shares for gross proceeds of $396,600 ($300 per share).

On February 28, 2020, Altmed issued 782 common shares for gross proceeds of $391,000 ($500 per share).

On March 11, 2020, Altmed issued 2,667 common shares for gross proceeds of $800,100 ($300 per share). These shares were issued with a discount of $200 per share in comparison with the most recent financing completed on February 28, 2020, as well as other financings that had completed in March 2020, all of which were at a price of $500 per share. As a result, Altmed recognized $533,400 as share-based compensation for the period ended March 31, 2020. Altmed also recorded a share subscription receivable in the amount of $250,000 in connection with this financing, which was received in full during the period ended September 30, 2020.

On March 12, 2020, Altmed issued 2,110 common shares for gross proceeds of $1,055,000 ($500 per share).

On March 16, 2020, Altmed issued 470 common shares for gross proceeds of $235,000 ($500 per share).

On March 20, 2020, Altmed issued 740 common shares for gross proceeds of $370,000 ($500 per share). Altmed also recorded a share subscription receivable in the amount of $25,000 in connection with this financing, which was received in full during the period ended September 30, 2020.

As at March 31, 2020, Altmed had recorded an obligation to issue shares in an amount of $60,000 pursuant to proceeds received for a financing that completed subsequent to March 31, 2020.

9. Share capital (continued)

Escrowed shares

In connection with the issuance of 3,000,001 founder's shares and 3,000,000 founder's warrants (issued as founders' units) (collectively, the "Escrowed Founder's Units") issued by Champignon in March 2019, there are escrow requirements detailing the release of the Escrowed Founder's Units as follows:

Date that common shares are first listed for trading on the Exchange (the Listing Date")	10% of the Escrowed Founder's Units
6 months after the Listing Date	16.6% of the remaining Escrowed Founder's Units
12 months after the Listing Date	20% of the remaining Escrowed Founder's Units
18 months after the Listing Date	25% of the remaining Escrowed Founder's Units
24 months after the Listing Date	33% of the remaining Escrowed Founder's Units
30 months after the Listing Date	50% of the remaining Escrowed Founder's Units
36 months after the Listing Date	The remaining Escrowed Founder's Units

Accordingly, as at September 30, 2020, 2,202,001 Escrowed Founder's Units remain in escrow.

Stock options

The Directors of the Company adopted a Stock Option Plan on October 15, 2019 (the "Plan") that allows it to grant options, subject to regulatory terms and approval, to its Officers, Directors, employees and certain consultants. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of up to 10% of the Company's outstanding common shares, calculated from time to time.

A summary of the status of the Company's options as at September 30, 2020 and March 31, 2020, and changes during the periods then ended is as follows:

	Six months ended September 30, 2020		Period from September 9, 2019 (date of incorporation) to March 31, 2020	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Outstanding options, beginning of period	-	-	-	-
Assumed on RTO (Note 4)	7,800,000	0.32		
Granted	3,900,000	1.02	-	-
Exercised	(150,000)	0.22	-	-
Cancelled	(3,150,000)	0.38		
Options outstanding, end of period	8,400,000	0.62	-	-

As at September 30, 2020 the Company had options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
3,100,000	3,100,000	0.22	1.42	March 2, 2022
800,000	800,000	0.35	1.48	March 25, 2022
600,000	600,000	0.495	1.50	March 30, 2022
3,750,000	3,750,000	0.99	4.61	May 11, 2025
150,000	150,000	1.69	1.67	June 1, 2022
8,400,000	8,400,000	0.56	2.86	

9. Share capital (continued)

The options assumed in connection with the RTO (Note 4) were outstanding and exercisable in Champignon immediately prior to completion of the Transaction. The fair valued of $4,868,532 assigned to the options assumed was determined using the Black-Scholes option pricing model with the following assumptions: share price of $0.85, exercise price of $0.22 to $0.50, risk-free rate of 0.29%, expected volatility of 100%, and expected life of 1.84 to 1.92 years.

On May 18, 2020, the Company granted stock options to an Officer and a consultant to purchase an aggregate of 3,750,000 common shares at an exercise price of $0.99 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $2,742,595 using the Black-Scholes option pricing model.

On June 1, 2020, the Company granted stock options to a consultant to purchase an aggregate of 150,000 common shares at an exercise price of $1.69 per common share for up to two years. 75,000 options vested upon grant and 75,000 options will vest on December 1, 2020. The grant date fair value of the 75,000 options vested was measured at $66,131 using the Black-Scholes option pricing model.

For the period ended September 30, 2020, the weighted average assumptions are as follows:

	Weighted average assumptions
Exercise price	$1.02
Stock price	$1.02
Expected volatility	100%
Risk-free rate	0.33%
Expected life	4.89

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. The Company may also issue standalone compensatory warrants, which are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at September 30, 2020 and March 31, 2020, and changes during the periods then ended is as follows:

	Six months ended September 30, 2020		Period from September 9, 2019 (date of incorporation) to March 31, 2020	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Outstanding warrants, beginning of period	5,050	104	-	-
Issued – Altmed	-	-	5,005	104
Exercised – Altmed	(4,000)	0.001	-	-
Cancelled - Altmed	(1,050)	500	-	-
Assumed on RTO (Note 4)	4,216,472	0.06	-	-
Issued – replacement warrants	2,100,000	0.25	-	-
Issued – unit warrants	8,823,750	1.15	-	-
Issued – Finders' Unit Warrants	1,235,326	0.85	-	-
Exercised	(669,682)	0.22	-	-
Warrants outstanding, end of period	15,705,866	0.75	5,050	104

The warrants assumed in connection with the RTO (Note 4) were outstanding and exercisable in Champignon immediately prior to completion of the Transaction. The fair valued of $3,361,299 assigned to the warrants assumed was determined using the Black-Scholes option pricing model with the following assumptions: share price of $0.85, exercise price of $0.10 to $0.30, risk-free rate of 0.29%, expected volatility of 100%, and expected life of 1.31 to 4.03 years.

9. Share capital (continued)

Warrants (continued)

As at September 30, 2020 the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)
450,000	450,000	0.15	1.89
3,000,000	300,000	0.005	3.61
296,790	296,790	0.30	1.39
1,235,326	1,235,326	0.85	1.39
8,823,750	8,823,750	1.15	1.39
1,900,000	1,900,000	0.25	1.39
15,705,866	15,705,866	0.75	1.83

Reserves

Reserves, when applicable, includes a historical share premium on common shares issued in Altmed, the accumulated fair value of stock options recognized as share-based compensation, the fair value of finders' warrants issued in connection with private placements, and the fair value of other standalone compensatory warrants issued. Reserves is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants are exercised.

Loss per share

The calculation of basic and diluted loss per share for the six months ended September 30, 2020 was based on the loss of $84,691,474 and a weighted average number of common shares outstanding of 141,080,646. All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

10. Related party transactions and balances

The Company's related parties include key management personnel, including Officers and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

The fair value of 2,500,000 stock options granted to an Officer of the Company during the six months ended September 30, 2020 totaled $1,828,396 (Note 9).

The aggregate value of other transactions with related parties during the six months ended September 30, 2020 is as follows:

	September 30, 2020 $
Consulting fees	219,571
Professional fees	121,912
	341,483

The Company has also identified a significant shareholder and contracted consultant of the Company (the "Consultant") as a related party for reporting purposes as the Consultant exerted significant influence over the Company. The Consultant was also a shareholder of Altmed and was issued common shares of Champignon on the closing of the RTO (Note 4). In addition, the consultant was paid consulting fees of $60,000 during the six month period ended September 30, 2020.

11. Financial risk management

Capital management

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares or units.

The Company is not subject to externally imposed capital requirements and does not present utilize any quantitative measures to monitor its capital.

There were no changes in the Company's management of capital during the period ended September 30, 2020.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured using Level 1 inputs. The carrying value of promissory note payable and accounts payable approximates the fair values due to their short-term term to maturity or guaranteed cash value at maturity.

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

The Company has minimal credit risk exposure in respect of receivables, as they primarily consist of refundable credits are due from Canadian Government.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2020, the Company did not have any financial instruments subject to interest rate risk (variable or fixed).

11. Financial risk management (continued)

Financial instruments – risk (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of September 30, 2020, the Company had current assets of $13,458,968 to cover short term obligations of $1,113,022.

Historically, the Company's sole source of funding has been through share and unit offerings. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

12. Promissory note payable

On September 11, 2019, Altmed entered into a Promissory Note Agreement with an arm's length party for gross proceeds of $50,000 (the "Loan"), net of $33 in bank fees. The Loan is non-interest bearing, due on demand and unsecured.

13. Segmented information

Operating segment information:

As at September 30, 2020, the Company has four reportable segments, being the provision of health services ("Health"), the sale and distribution of mushroom infused teas/corporate operations ("Tea/Corporate"), research and development activities ("Research") and the cultivation of mushrooms ("Cultivation"). The Company has identified these reportable segments based on the internal reports reviewed by management, in allocating resources and assessing performance.

Operating segment financial information:

As at September 30, 2020	Health $	Tea/Corporate $	Corporate $	Research $	Cultivation $	Total $
Current assets	504,779	-	12,954,189	-	-	13,458,968
Non-current assets	6,743,242	870,891	-	-	-	7,614,133
Liabilities	(178,422)	-	(59,460)	(837,247)	(37,893)	(1,113,022)
Net assets	7,069,599	870,891	12,894,729	837,247	(37,893)	19,960,079
Six months ended September 30, 2020						
Revenues	374,876	99,982	-	-	-	474,858
Gross profit	42,434	21,406	-	-	-	63,840
Operating expenses	(1,181,551)	-	(4,849,443)	(922,873)	(7,563)	(6,961,430)
Listing expense	-	-	(77,793,883)	-	-	(77,793,883)
Nets loss from operations	(1,139,117)	21,406	(82,643,326)	(922,873)	(7,563)	(84,691,473)

14. Commitment

On May 15, 2020, Altmed entered into an Independent Contractor Agreement (the "IC Agreement") with an arm's length consultant that carries a term of 2 years, expiring on May 15, 2022. The IC Agreement can be terminated for any reason, by either party, on six months' prior written notice.

Pursuant to the terms of the IC Agreement, the consultant will be paid $15,000 per month (plus sales tax) plus be reimbursed for any disbursements incurred. Further, the IC Agreement requires the Company to issue a total of 250,000 common shares on or after June 11, 2020 for services previously provided (the "Share Commitment"). As at September 30, 2020, the Company has recorded the value of the Share Commitment at $222,500 ($0.89 per share) (Note 9).

15. Event after the reporting period

Subsequent to the period ending September 30, 2020, the Company is obligated to issue shares in amount of $255,500 pursuant to proceeds received on the exercise of 150,000 stock options ($33,000) and a consulting agreement ($222,500) (Note 9).

SCHEDULE “B”

CHAMPIGNON MD&A

(See attached)

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Management Discussion & Analysis

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

For the period from incorporation on March 26, 2019 to March 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dated: February 5, 2020

The following tables set forth selected financial information with respect to the Company's audited financial statements for the period from inception on March 26, 2019 to September 30, 2019. The selected financial information has been derived, except where indicated from the audited financial statements for the period of inception on March 26, 2019 to September 30, 2019. The following should be read in conjunction with the said financial statements.

Selected Financial Information

	Period from inception on March 26, 2019 to September 30, 2019 (Audited) ($)
Continuing operations	
Revenue	212
Cost of Sales	(87)
	125
Expenses	172,848
Net loss	(172,723)
Basic and Diluted loss per share	(0.02)[1]

Note:
(1) Based on the weighted average of 8,601,958 common shares issued and outstanding for the period ended September 30, 2019.

Statement of Financial Position	As at September 30, 2019 (Audited) ($)
Assets	
Current assets	1,042,545
Intangible assets	110,000
Total Assets	1,160,474
Liabilities	
Current liabilities	53,263
Total Liabilities	53,263
Shareholders' Equity	1,107,211
Total Liabilities and Shareholders' Equity	1,160,474

Overview

This management discussion and analysis ("MD&A") of results, operations and financial condition of the Company, describes the operating and financial results of the Company for the period from inception on March 26, 2019 to September 30, 2019. This MD&A supplements, but does not form part of, the audited financial statements of the Company, and should be read in conjunction with the Company's audited financial statements and related notes for the period from inception on March 26, 2019 to September 30, 2019. The Company prepares and files its financial statements in accordance with IFRS. The currency referred to in this MD&A is in Canadian Dollars.

Overall Performance

The Company specializes in the formulation and end distribution of a suite of artisanal mushroom infused beverage products, with the objective of promoting health and wellness through a healthy diet. The Company's future performance depends on, among other things, its ability to produce, market and sell its products, consumer demand for its products, the Company's ability to secure required financing, and in the event consumer demand is strong for its products, the Company's ability to expand its business to facilitate this demand.

Since incorporation on March 26, 2019, the Company's activities have focused on: (1) the acquisition of the Web Assets; (2) the conversion of the Web Assets to an online sales platform and the establishment of supply chain infrastructure; (3) the formulation, branding and initial launch of its Vitality Supertea line of products; (4) the purchase of two new formulas; (5) commencement of research and development on new formulations; and (6) commencement of the development of a pop-up shop. See "Business of the Company - History Since Inception".

Results of Operation

Period from the date of inception on March 26, 2019 to September 30, 2019

The Company reported revenues of $212 and a net loss of $172,723, during the period from the date of inception on March 26, 2019 to September 30, 2019. The main factors that contributed to the loss in fiscal 2019 were cost of sales of $87, research and development expenses of $50,000, consulting fees of $36,474, office and miscellaneous fees of $14,783, advertising and promotion of $42,500, legal fees of $19,763, management fees of $7,000, amortization of $2,071 and foreign exchange expenses of $257.

The Company revenue relates to direct website sales. Website sales are recognized when the goods are shipped. Revenue excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final.

Cost of sales includes expenses incurred to acquire and produce inventory for sale, including product costs, inbound freight and duty costs, as well as provisions related to product shrinkage, excess or obsolete inventory, or lower of cost and net realizable value adjustments as required.

Research and Development expenses relate to payments to Drip in accordance with the terms of the Research and Development Agreement. See "Business of the Company - Future Developments".

Consulting fees relate to services provided by management relating to the initial organization of the Company, the acquisition of the Web Assets, the conversion of the Web Assets, the sourcing of third party service providers and activities related to the Offering.

Office and miscellaneous fees include minor disbursements, taxes, transaction fees, storage, records management.

Advertising and promotion relate to the design of the websites and logos, the e-commerce store logos and branding, as well as social media marketing services.

Legal fees consist of legal fees in connection with the Company's incorporation, financings, acquisition of the Web Assets, entry in agreements with Drip and the Pop-Up Designers and this Offering.

Management fees relate to services provided with respect to the preparation of financial statements.

Amortization relates to the amortization of the Web Assets.

Foreign exchange expenses relate to fees charged for transactions across different currencies.

During the period from the date of inception on March 26, 2019 to September 30, 2019, the Company completed the following equity financings: (i) issuance of one (1) Common Share on incorporation (ii) the sale of 3,000,000 units at a price of $0.005 per unit, with each unit consisting of one Common Share and one share purchase warrant exercisable at a price of $0.005 per Common Share (increasing to $0.10 per Common Share on such date that the Company is listed on the public stock exchange) for a period of two years from the date of issuance for total proceeds of $15,000; (iii) the sale of 3,500,000 Common Shares at a price of $0.02 per Common Share for proceeds of $70,000; (iv) the sale of 2,000,000 Common Shares at a price of $0.075 per Common Share for proceeds of $150,000; and (v) the sale of 5,000,000 units at a price of $0.10 per unit, with each unit consisting of one Common Share and one share purchase warrant exercisable at a price of $0.15 per Common Share for a period of three years from the date of

issuance for total proceeds of $500,000; and (vi) the sale of 4,021,000 Common Shares at a price of $0.125 per Common Share for proceeds of $502,625.

The Company also issued 3,000,000 Common Shares in accordance with the terms of the Asset Purchase Agreement at a deemed price of $0.02 per Common Share and 400,000 Common Share purchase warrants to Drip in accordance with the terms of the Consignment and Marketing Agreement.

Liquidity and Capital Resources

The Company reported working capital surplus of $989,282, cash on hand of $855,669, prepaid expenses of $153,093 and inventory of $33,783 at September 30, 2019.

Prepaid expenses relate to:

- $72,459 advanced to the Company's contract manufacturer for packaged tea products for resale. The Company received the packaged products subsequent to September 30, 2019;
- $10,434 recorded in connection with the warrant issued to Drip in connection with the consignment and marketing services to be provided by Drip;
- $45,200 advanced in connection with the design and construction of the Pop-Up Shop; and
- $25,000 advanced in connection with the research and development services to be provided by Drip.

The Company's future capital requirements will depend upon many factors including, without limitation, its ability to produce, market and sell its products, consumer demand for its products, the Company's ability to secure required financing, and in the event consumer demand is strong for its products, the Company's ability to expand its business to facilitate this demand. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for research and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate substantial revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all. See "Risk Factors".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the period from inception on March 26, 2019 to September 30, 2019, Gareth Birdsall, the Company's Chief Executive Officer, President and Director, received $31,500 in consulting fees.

Changes in Accounting Policies

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Based on its review of the above, management is of the opinion that the Company's current accounting policies and disclosures in its financial statements comply in all material respects with the requirements so far as they are applicable to its present operations.

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

Summary of Quarterly Results

Since inception, the Company has not prepared quarterly interim financial statements. As a result, the Company is unable to provide a summary or the quarterly results from the date of inception on March 26, 2019 to September 30, 2019.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets out a breakdown of all material components of certain costs to the Company for the period from inception on March 26, 2019 to September 30, 2019.

General and Administrative Expenses

The following tables set out the general and administrative expenses of the Company for the period from inception on March 26, 2019 to September 30, 2019

Item	**Period from Inception on March 26, 2019 to September 30, 2019 (Audited)**
Research and development	$ 50,000
Advertising and promotion	42,500
Consulting fees	36,474
Legal fees	19,763
Office and miscellaneous	14,783
Management fees	7,000
Amortization	2,071
Foreign exchange	257
Total	**$ 172,848**

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being Common Shares. As of the date of this MD&A, 20,521,001 Common Shares were issued and outstanding. The Company also has 5,900,000 share purchase warrants outstanding.

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Restated Management Discussion & Analysis

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

For the six month period ended March 31, 2020 and the period from incorporation on March 26, 2019 to March 31, 2019

Notice To Reader

In connection with a review by the British Columbia Securities Commission, the Audit Committee, in consultation with management of the Company, has determined that the Company's previously filed unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2020 together with the management's discussion and analysis thereof needed to be refiled to correct for content and disclosure deficiencies.

Adjustments made to the condensed consolidated interim financial statements as at March 31, 2020 to correct, among others, the following material values and disclosure assigned to:

- Reduced intangible assets from $11,860,462 to $111,929;
- Increase of share capital from $15,603,227 to $17,373,727;
- Increase of deficit from $3,089,025 to $16,643,536; and
- Additional related party disclosure

Details of the changes are fully described in Note 12 of the restated condensed interim consolidated financial statement to the six month period ended March 31, 2020 as filed on SEDAR on March 9, 2021.

The previously filed financial statements and management discussion and analysis for the period ended March 31, 2020 were originally filed on May 29, 2020 and refiled on March 9, 2021. The restated financial statements and management discussion and analysis for the period ended March 31, 2020 as filed on March 9, 2021, respectively, replace and supersede each of the previously filed financial statements and management discussion and analysis for the period ended March 31, 2020. This notice supersedes previously filed versions.

Restated Date: March 9, 2021

General

This restated Management's Discussion & Analysis ("MD&A") of Champignon Brands Inc. (the "Company") has been prepared by management and should be read in conjunction with the restated condensed consolidated interim financial statements ("Financial Statements") and accompanying notes for the six months period ended March 31, 2020 and the audited financial statements and accompanying notes for the year ended September 30, 2019. The Financial Statements, together with the following restated MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This restated MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 9, 2021.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com or the Company's website https://champignonbrands.com/.

Forward-Looking Statements

Information set forth in this restated MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. 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 financing and corporate plans relating to the potential acquisitions 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; 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; 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 under the heading "Risk Factors" and otherwise 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.

Overview

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.) (the "Company") was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of formulation and manufacturing of novel ketamine, anaesthetics and delivery platforms for nutraceutical and psychedelic medicine and the formulation and end distribution of a suite of mushroom infused beverage products. On June 7, 2019, the Company changed its name from Nature Leaf Wellness Corp. to Champignon Brands Inc. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") (CSE:SHRM), United States OTC stock market (OTCQB:SHRMF) and on the Frankfurt Stock Exchange (FWB:496). The Company's fiscal year-end is September 30.

The Company's primary office (head office and records office) is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4

Overall Performance

Second Quarter Highlights

On February 28, 2020, the Company completed a successful initial public offering ("IPO") of 18,916,667 common shares at a price of $0.15 per share for total gross proceeds of $2,837,500. The Company listed its common shares on the Canadian Securities Exchange effective February 27, 2020 under the trading symbol "SHRM."

On March 4, 2020, the Company announced plans to form a special advisory committee to evaluate the potential positive effects its medicinal mushroom formulations could have on individuals suffering from mental health disorders such as depression and PTSD (post traumatic stress disorder), as well as substance and alcohol use disorders. The company will appoint advisory board members who are qualified and experienced in areas such as medicine, psychology, mycology and pharmacology to assist with this research initiative.

On March 20, 2020, the Company acquired a 100% interest in Artisan Growers Ltd. ("Artisan Growers") for 8,000,000 common shares. Artisan Growers a craft mushroom research and cultivation company based in Kelowna B.C.

On March 25, 2020, the Company acquired a 100% interest in Novo Formulations Ltd ("Novo") for 12,500,000 common shares. Novo is a research and development company developing novel and innovative delivery systems for the pharmaceutical and nutraceutical industries.

On March 20, 2020, the Company announced a normal course issuer bid (the "NCIB") to purchase up to an aggregate of 2,411,883 common shares. Purchases may commence through the CSE and/or alternative trading systems on March 27, 2020 and will conclude on the earlier of the date on which purchases under the bid have been completed or March 27, 2021.

On March 26, 2020, the Company acquired a 100% interest in Tassili Life Sciences Corp. ("Tassili") for 16,000,001 common shares. Tassili is a research and development Company partnered with a multidisciplinary team of scientists and physicians at the University of Miami that are working to develop effective psilocybin-based therapeutics for the treatment of mild traumatic brain injuries and post traumatic stress disorder.

On March 26, 2020, the Company announced the appointment of Dr. Joseph Gabriele, PhD, a molecular pharmacologist specializing in signal transduction within the central nervous system, to its special advisory committee.

On March 31, 2020, the Company appointed Mr. Jay Kheita, ACPR, to its Special Advisory Committee. Mr. Kheita will lead the integration of the Company's novel and natural treatment protocols into its existing consumer packaged goods portfolio. Mr. Kheita holds pharmacy licenses in Canada, Australia and England and is the founder of AltMed Capital Corp., a leading Canadian psychedelic medicine clinic operator.

On April 16, 2020, the Company appointed Mr. Jim Bailey, the former president of Red Bull Canada, to its Special Advisory Committee. Mr. Bailey previously served as the Global Chief Marketing Officer for Merrell Outdoors, overseeing both product and consumer marketing with annual revenues of US $600,000,000.

On April 30, 2020, the Company acquired 100% of AltMed Capital Corp. ("AltMed") for total consideration of 75,674,000 common shares and 2,100,000 share purchase warrants in exchange for outstanding AltMed share purchase warrants. The Company issued 2,000,000 finder common shares in connection with the acquisition AltMed is a Canadian ketamine clinic operator, psychedelic medicine IP aggregator and novel drug discoverer. Altmed's clinic, the Canadian Rapid Tretament Center of Excellence (the "CRTCE") is licensed by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (out-of-hospital premise program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD).

On May 6, 2020, the Company appointed Mr. Pat McCutcheon to the Company's board of directors. Mr. McCutcheon is the CEO of MediPharm Labs Corp. (TSX: LABS). Mr. McCutcheon held senior roles with various large pharmaceutical companies, including Jansen Pharmaceuticals, Sanofi and Astra Zeneca – where he was directly responsible for launching a wide range of medical products. The Company also appointed Matthew Fish as President and Secretary. In his private practice as a securities lawyer, Mr. Fish has developed extensive experience with respect to public companies, capital markets, as well as mergers and acquisitions.

On May 10, 2020, the Company executed a term sheet (the "Term Sheet") with California, U.S. based Wellness Clinic of Orange County Inc. (the "Wellness Clinic") The Wellness Clinic owns and operates a ketamine infusion treatment center located within the Mission Hospital's Laguna Beach campus. The Term Sheet was terminated on July 1, 2020.

On May 11, 2020, the Company appointed Dr. Roger McIntyre as the CEO. Dr. McIntyre is a Professor of Psychiatry and Pharmacology at the University of Toronto and head of the Mood Disorders Psychopharmacology unit at the University Health Network, Toronto, Canada. Gareth Birdsall resigned from his positions of CEO, President and Secretary in connections with the appointments of Mr. Fish and Dr. McIntyre.

As a result of the appointment to CEO of Dr. Roger McIntyre, a leading expert on mental illness and the effects of psychedelics and other drugs on brain disorders, the Company determined not to appoint the Special Advisory Committee.

On May 13, 2020, the Company entered into a letter agreement with Canaccord Genuity Corp. ("Canaccord Genuity") and Eight Capital ("Eight" and together with Canaccord Genuity, the "Co-Lead Underwriters"), to purchase, on a bought deal private placement basis (the "Bought Deal"), 17,647,500 units of the Company (the "Units") at a price of $0.85 per Unit (the "Issue Price") amounting to aggregate gross proceeds of $15,000,375 (the "Offering"). Each Unit shall be comprised of one common share of the Company (a "Common Share") and one half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share at a price of $1.15 per Warrant for a period of 24 months from the closing of the Offering. The Offering will be conducted by a syndicate of underwriters (collectively, the "Underwriters") led by the Co-Lead Underwriters. The Company has agreed to pay the Underwriters a cash commission payable on the closing date of the Offering equal to 7.0% of the aggregate gross proceeds of the Offering and to issue the Underwriters warrants (the "Broker Warrants"), exercisable to acquire, within 24 months from the closing of the Offering, in the aggregate, that number of Units which is equal to 7.0% of the number of Units sold under the Offering. The Company also agrees to pay to the Underwriters a corporate finance fee consisted of $51,588 and 60,692 Broker Warrants.

On May 25, 2020, the Company appointed Dr. Bill Wilkerson, LL.D. (Hon) to the board of directors. Dr. Wilkerson was previously President of one of Canada's largest health benefits companies, Liberty Health, and held senior executive positions at the Royal Bank of Canada, CBC, and the Toronto Symphony Orchestra.

On May 29, 2020, certain shareholders of the Company agreed to a voluntary resale restriction period covering 17,840,000 common shares extending the period of time before the shares become free trading to July 15, 2020. These shares were previously only subject to a statutory hold period. The Company also announced that it has engaged Gold Standard Media, LLC ("GSM") to provide marketing and consulting services to raise public awareness of the Company, with a specific emphasis on the Company's North American clinical expansion. GSM is a limited liability company existing under the laws of the State of Texas with an office at 1102 S. Austin Ave, #110-283, Georgetown, Texas, USA.

On June 8, 2020, the Company announced it had selected Toronto-based Dalriada Drug Discovery Inc. ("Dalriada") to advance its new chemical entity ("NCE") IP portfolio as it pertains to ketamine and psilocybin/psilicin molecular scaffolds.
On June 11, 2020, the Company announced the closing of its previously announced "bought deal" private placement (the "Offering") of units of the Company ("Units") for aggregate gross proceeds of $15,000,375 which includes the full exercise of the option granted to the Underwriters (as defined below). A total of 17,647,500 Units were sold pursuant to the Offering at a price of $0.85 per Unit. Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (a "Warrant Share") at a price of $1.15 per Warrant Share until June 11, 2022. The Offering was completed by a syndicate of underwriters co-led by Canaccord Genuity Corp. and Eight Capital, and includes Gravitas Securities Inc. (collectively, the "Underwriters"). All securities issued pursuant to the Offering are subject to a statutory four month and one day hold period. The Company intends to use the net proceeds of the Offering for the Company's North American clinical expansion program as well as for general working capital purposes.

On June 12, 2020, the Company announced that since commencing trading on March 2, 2020 the Company has expanded its initiatives and rapidly executed on such initiatives to position the Company as a leading publicly traded psychedelic medicine company developing novel rapid onset treatments for depression, post-traumatic stress disorder ("PTSD"), and substance-use disorders ("SUD") via the clinical delivery of ketamine and ketamine-derivatives.

On June 19, 2020, the Company continued to highlight the scientific merit of its ketamine treatments for Major Depressive Disorder (MDD) while demonstrating rapid onset efficacy and safety of its treatment processes.

On June 22, 2020, Champignon announced it had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission"). The review related to the Champignon's disclosure obligations since it became a reporting issuer on February 6, 2020 and includes a review of the disclosure surrounding certain asset acquisitions completed by Champignon prior to the RTO. In connection with the review, the Commission issued a cease trade order suspending trading in the securities of Champignon, pending the filing of business acquisition reports by the Company in connection with the acquisitions.

On July 13, 2020, the Company announced corporate updates of the following; BCSC Continuous Disclosure Review, Corporate Rebranding & Spin Out, Wellness Clinic of Orange County Inc and AltMed Capital Corp.

On July 24, 2020, the Company announced it had filed business acquisition reports in connection with its previous acquisitions of Artisan Growers Ltd. ("Artisan Growers"), Novo Formulations Ltd. ("Novo") and Tassili Life Sciences Corp. ("Tassili") Copies of the reports are available for review under the Company's profile on SEDAR (www.sedar.com). The original cease trade order was subsequently revoked. Concurrently with the revocation of the original cease trade order, the Commission issued a replacement cease trade order, pending the filing of a revised material change report in connection with the RTO.

On August 27, 2020, the Company announced it was expanding its rapid-onset treatment service for major depressive disorder ("MDD"). The Company will offer esketamine for the treatment of adults with MDD at its Mississauga, Ontario 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.

On September 15, 2020, the Company announced that it continues to work with the British Columbia Securities Commission (the "Commission") to address an ongoing continuous disclosure review.

On October 5, 2020, the Company elected Dr. Roger McIntyre as Chairman of the Board of Directors of the Company.

On October 29, 2020, the Company announced it continues to work diligently with the British Columbia Securities Commission (the "Commission") to address the ongoing continuous disclosure review and to coordinate the revocation of the existing cease trade order. The Company will provide guidance on definitive timing for revocation as soon as possible.

On November 24, 2020, the Company provided an update on the Company's management and governance. The Company announced the following: the Company is actively recruiting a new Chief Financial Officer, Chief General Counsel, and Senior Vice President – Investor and Public Communications; The Company intends to expand its board with additional outside

directors to be drawn from the business and science communities; the Company has accepted the resignation of Gareth Birdsall, director, effective November 23, 2020; and the Company has re-designed its website to facilitate proper access to current information by investors and the wider public.

On December 8, 2020, the Company announced that Christopher Hobbs joined the Company as Interim Chief Financial Officer (CFO), effective December 8, 2020. Stephen Brohman, the Company's current contract CFO, has resigned from the position, effective December 7, 2020.

On January 8, 2021, the Company announced the publication of an article written by a group led by its CEO, Dr. Roger McIntyre. The article – Bipolar Disorders – was published in one of the world's best-known and most reputable scientific journals in medicine - The Lancet.

On January 11, 2021, the Company announced the Company's appointment of Stephen R. Brooks as its new Chief Financial Officer and Peter Rizakos as the firm's new General Counsel.

On January 25, 2031, the Company announced that it opens first community-based centre in Ottawa to provide Ketamine treatment for adults with depression.

On February 4, 2021, the Company announced the appointment of Olga Cwiek to its board of directors and the retirement from the board of directors of William (Bill) Wilkerson.

Subsequent to March 31, 2020, the Company is obligated to issue shares in amount of 400,000 pursuant to proceeds received on the exercise of 150,000 stock options ($33,000) and a consulting agreement ($222,500).

Subsequent to March 31, 2020, the Company completed share buy backs totalling of 1,235,500 common shares for total consideration of $778,073.

Subsequent to March 31, 2020, the Company issued 3,845,219 common shares pursuant to warrant exercises for gross proceeds of $776,066.

Business Development

Acquisition of Artisan Growers Ltd.

On March 20, 2020, the Company acquired a 100% interest in Artisan Growers. Artisan Growers is a British Columbia based craft mushroom research and cultivation company.

The acquisition has been accounted for as a purchase of an asset and a summary is as follows:

Purchase price:	$
8,000,000 acquisition common shares	2,320,000
800,000 finder common shares	232,000
Total consideration	2,552,000
Net liabilities acquired:	
Cash	10
Right-of-use asset	11,077
Accounts payable	(25,498)
Lease liability	(11,077)
Total net liabilities acquired	(25,488)
Consideration paid in excess of net liabilities acquired	(2,577,488)

The excess paid over the net liabilities acquired of $2,577,488 was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

Rationale for Acquisition

Artisan Growers' available lease space, growing kits for premium exotic mushrooms, access to a database of international mushroom farmers and a multitude of different techniques for working with relevant mushroom spores will complement the Company's existing mushroom-infused tea products. The Company believed that Artisan Growers would be accretive to its supply chain and business objectives.

At the time of the acquisition of Artisan Growers, the psychedelic and alternative medicine sector, including with regard to medicinal mushroom and mushroom-infused products, was gaining significant public momentum and competition for assets was intensifying. The Company negotiated an all-share purchase of Artisan Growers by issuing 8,000,000 common shares. At the time of the acquisition the Company's shares were trading at $0.29 on the CSE resulting in a deemed value of the consideration paid on closing of $2,320,000. The share consideration issued to the shareholders of Artisan Growers reflected the Company's early stage of operations and the trading volatility of the Company's shares that had only begun trading on the CSE on March 2, 2020.

Acquisition of Novo Formulations Ltd.

On March 25, 2020, the Company acquired a 100% interest in Novo. Novo is a research and development company developing novel and innovative delivery systems for the pharmaceutical and nutraceutical industries.

The acquisition has been accounted for as a purchase of an asset and a summary is as follows:

Purchase Price:	$
12,500,000 acquisition common shares	4,375,000
1,000,000 finder common shares	350,000
Total consideration	4,725,000
Net assets acquired:	
Cash	10
Total net assets acquired	10
Consideration paid in excess of net assets acquired	(4,724,990)

The excess paid over the net assets acquired of $4,724,990 was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

Rationale for Acquisition

Novo's novel delivery system platforms for the pharmaceutical and nutraceutical industries as well as its research and development advancements, will accelerate the Company's existing and planned research and product development activities. In addition, Novo's research and development relationships with university institutions, medical professionals and manufacturing and compounding facilities will be utilized by the Company for research and product development.

At the time of the acquisition of Novo, the psychedelic and alternative medicine sector, including with regard to medicinal mushrooms and mushroom-infused products, was gaining significant public interest and competition for assets was intensifying. The Company negotiated an all-share purchase of Novo by issuing 12,500,000 common shares. At the time of the acquisition the Company's shares were trading at $0.29 resulting in a deemed value of the consideration paid on closing of $4,375,000. The share consideration issued to the shareholders of Novo reflected the Company's early stage of operations and the trading volatility of the Company's shares that had only begun trading on the CSE on March 2, 2020.

Acquisition of Tassili Life Sciences Corp.

On March 26, 2020, the Company acquired a 100% interest in Tassili Life Sciences Corp. ("Tassili"). Tassili is a research and development Company that had partnered with a multidisciplinary team of scientists and physicians at the University of Miami and are working to develop effective psilocybin-based therapeutics for the treatment of mild traumatic brain injuries and post traumatic stress disorder.

The acquisition has been accounted for as a purchase of an asset and a summary is as follows:

Purchase price:	$
16,000,001 acquisition common shares	5,840,000
1,500,000 finder common shares	547,500
Total consideration	6,387,500
Net assets acquired:	
Cash	9,622
Account receivable	37,496
Sales tax receivable	125,846
Total net assets acquired	172,964
Consideration paid in excess of identifiable assets acquired	(6,214,536)

The excess paid over the net assets acquired of $6,214,536 was expressed in the statement of loss and comprehensive loss as no assets were identifiable to allocate this excess to.

Rationale for Acquisition

Tassili's has partnered with a multidisciplinary team of scientists and physicians at the University of Miami to develop effective psilocybin-based therapeutics for the treatment of mild traumatic brain injuries (mTBI) and post-traumatic stress disorder (PTSD). Under a collaborative research agreement with the University of Miami's Miller School of Medicine, Tassili will conduct preclinical studies and eventual human clinical trials with the objective of demonstrating safety and efficacy of the combination of psilocybin and cannabidiol in treating mTBI with PTSD or standalone PTSD. Under the agreement with the University of Miami, Tassili retains all exclusive rights to inventions, data and IP discovery resulting from the studies. Tassili's collaborative research agreement will allow the Company to quickly advance its planned research into the potential positive effects of medical mushroom formulations on individuals suffering from mental health disorders, including but not limited to PTSD.

At the time of the acquisition of Tassili, the psychedelic and alternative medicine sector, including with regard to medicinal mushrooms and mushroom-infused products, was gaining significant public interest and competition for assets was intensifying. The Company negotiated an all-share purchase of Tassili by issuing 16,000,001 common shares. At the time of the acquisition the Company's shares were trading at $0.49 on the CSE resulting in a deemed value of the consideration paid on closing of $5,840,000. The share consideration issued to the shareholders of Tassili reflected the Company's early stage of operations and the trading volatility of the Company's shares that had only began trading on the CSE on March 2, 2020.

Results of Operations - Revenue

During the three-and six-month period ended March 31, 2020, the Company recorded revenues of $316 and a gross margin of $120. The gross margin percentage approximates 38%. Revenues consists of the sale of merchandise, teas and other ancillary products.

The Company revenue relates to direct website sales. Website sales are recognized when the goods are shipped. Revenue excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final.

Cost of sales includes expenses incurred to acquire and produce inventory for sale, including product costs, inbound freight and duty costs, as well as provisions related to product shrinkage, excess or obsolete inventory, or lower of cost and net realizable value adjustments as required.

Subsequent to the period end, the Company received and has shipped two $50,000 bulk purchase orders for its consumer-packaged goods. These orders were final sales.

Results of Operations - Expenses

The Company incurred loss and comprehensive loss of $16,470,813 during the six months ended March 31, 2020 and $16,329,497 during the three months ended March 31, 2020. The Company was incorporated on March 26, 2019 and as such, there were no expenses in the comparative period.

The main factors that contributed to the loss in the three month period were accounting fees of $14,671, advertising and promotion of $881,910, amortization of $3,000, consulting fees of $308,966, filing fees of 18,073, legal fees of $49,161, office and miscellaneous of $170,371, research and development expenses of $50,000, share based compensation of $1,320,452, and a consideration paid in excess of identifiable assets of $13,517,014. The loss was partially offset by a foreign exchange gain of $4,001.

The main factors that contributed to the loss in the six month period were accounting fees of $14,671, advertising and promotion of $948,410, amortization of $6,000, consulting fees of $346,716, filing fees of $31,013, legal fees of $71,375, office and miscellaneous of $173,578, research and development expenses of $50,000, share based compensation of $1,320,452, and consideration paid in excess of identifiable assets of $13,517,014. The loss was partially offset by a foreign exchange gain of $8,296.

Accounting fees consist of bookkeeping, financial reporting, audit and other costs associated with the maintenance of the books and records of the Company.

Advertising and promotion related to branding, domestic and international marketing and advertising and prospectus printing costs.

Amortization relates to the Company's web assets.

Consulting fees consist of management fees, project management, executive assistances, capital markets advisory services, scientific advisors, foreign listing consultants, psychedelic industry experts, as the Company engages an array of consultants and various fees in connection with the acquisitions, respectively. The Company relies heavily on Consultants to help them achieve their goals on all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include management, advisors, technical support and other support roles.

Filing fees relate to fees associated with exchange, regulatory and transfer agent filing fees.

Office and miscellaneous consists of corporate service fees and office supplies

Professional fees totalling $71,375 consisted primarily of legal fees in connection with the initial public offering and subsequent business activities.

Research and development related to the formulation of new recipes by Drip Coffee Social Ltd.

Share based compensation relates to stock options and acquisitions through share-based transactions. During the period ended March 31, 2020, the Company issued 7,900,000 stock options with a weighted average price of $0.32 with an average expiry of 1.95 years.

Consideration paid in excess of identifiable assets related to adjustments made to financial statements as at March 31, 2020 on the acquisitions of Artisan Growers, Novo and Tassili.

The Company was incorporated on March 26, 2019 and as such, there were no expenses for the comparative periods.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed quarters. This information is derived from audited financial statements prepared by management and unaudited condensed consolidated interim financial statements. The information is reported in accordance with IFRS and expressed in Canadian Dollars unless otherwise stated.

	2020 Qtr 2 $	Qtr 1 $	2019 Qtr 4 $	Qtr 3 $
Revenue	316	-	212	-
Total assets	2,309,908	1,019,632	1,160,474	1
Long term liabilities	-	-	-	-
Net Loss	(16,322,497)	(148,316)	(172,723)	-
Basic and diluted loss per share	(0.54)	(0.01)	(0.02)	-

The Company was incorporated on March 26, 2019 and has a September 30 year-end, therefore there are no comparative period numbers prior to this date.

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of activities being undertaken at any time and the availability of funding from investors or collaboration partners.

Liquidity and Capital Resources

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company has financed its operations to date through the issuance of common shares.

	March 31, 2020 $	September 30, 2019 $
Working capital	2,086,343	989,282
Liabilities	100,549	53,263
Accumulated Deficit	16,643,536	172,723

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests

The Company's future revenues, if any, are expected to be from the licensing of the Company's intellectual property. The economics of developing and realizing licensing revenues are affected by many factors including the cost of operations, regulatory approval, and results of clinical studies. There is no guarantee that the Company will be able to license its intellectual property.

The above proposed Bought Deal will assist with the Company's cash flow to execute its future plans.

Liquidity and Capital Resources – Cash Flow

Operating Activities:

During the period ended March 31, 2020, $1,933,630 (2019 – $Nil) cash was used in operating activities. This consisted mainly of cash paid for consulting, corporate development, legal expenditures, marketing, filing fees and day-to-day expenditures related to the various acquisitions completed during the period.

Financing Activities:

During the period ended March 31, 2020, the Company completed their IPO and raised net proceeds of $2,581,601. The Company received proceeds from broker warrant exercises of $6,398.

Investing Activities:

During the period ended March 31, 2020, the Company acquired cash of $9,642 through the acquisitions of Artisan, Novo and Tassili.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the financial statements for the period ended March 31, 2020.

Related Party Transactions

The Directors and Executive Officers of the Company are as follows:
Roger McIntyre, CEO and Director (CEO since May 11, 2020, appointed a director July 22, 2020)
Matthew Fish, President, Secretary and Director
Stephen Brohman, CFO (ceased being an officer and director December 7, 2020)
Gareth Birdsall, CEO and Director (ceased being CEO May 11, 2020 and ceased being a director on November 23, 2020)
Jerry Habuda, Director
Dr. Bill Wilkerson, Director (appointed a director May 22, 2020 and ceased being a director February 4, 2021)
Pat McCutcheon, Director (appointed a director May 6, 2020 and ceased being a director July 22, 2020)
Joseph Perino, Director (ceased being a director May 22, 2020)

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	For the period ended March 31,	
	2020	2019
Consulting fees paid or accrued to companies controlled by the CEO	$ 35,000	$ -
Consulting fees paid or accrued to companies controlled by the CFO	7,500	-
Share based compensation	69,456	-
Total	$ 111,956	$ -

Included in accounts payable and accrued liabilities is $1,575 (September 30, 2019 - $31,500) payable to directors and officers of the Company.

In addition, the Company has identified Lucas Birdsall, a significant shareholder and contracted consultant to Champignon (the "Consultant") as a related party as the Consultant exerted significant influence over the Company. The Company incurred the following transactions with the Consultant during the six month period ended March 31, 2020:

- On March 20, 2020, the Company issued 8,000,000 common shares with a fair value of $2,320,000 and acquired 100% of Artisan Growers. The Consultant was a shareholder of Artisan Growers and in exchange for his shares in Artisan Growers was issued 1,280,000 common shares with a fair value of $371,200 on the closing of the transaction. The transaction was entered into at market terms and as such, the Company determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 25, 2020, the Company issued 12,500,000 common shares with a fair value of $4,375,000 and acquired 100% of Novo. The Consultant was a shareholder of Novo and in exchange for his shares in Novo was issued 1,500,000 common shares with a fair value of $525,000 on the closing of the transaction. The transaction was entered into at market terms and as such, the Company determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 26, 2020, the Company issued 16,000,001 common shares with a fair value of $5,840,000 and acquired 100% of Tassili. The Consultant was a shareholder of Tassili and in exchange for his shares in Tassili was issued 2,500,000 common shares with a fair value of $912,500 on the closing of the transaction. The transaction was entered into at market terms and as such, the Company determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- The Consultant was paid $20,000 for consulting services.
- The Consultant was granted 1,400,000 stock options with a fair value of $268,121.

On November 17, 2020, the Company terminated the consulting agreement with the Consultant.

Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and

liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Accounts payable approximates its fair value due to its short-term maturity. Cash is measured at level 1 fair value financial asset

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of March 31, 2020, the Company had working capital of $2,086,343 (September 30, 2019 -$989,282) to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020 and September 30, 2019, the Company did not have any financial instruments subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

IFRS 16 Leases

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. The Company acquired, through the acquisition of Artisan, a cultivation facility lease expiring on August 1, 2020, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability

Other MD&A Disclosure Requirements

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

As at March 31, 2020 the Company had 79,258,993 common shares issued and outstanding and as at the date of this document, the Company had 177,290,212 common shares issued and outstanding.

As at March 31, 2020 the Company had 7,900,000 options outstanding and as at the date of this document the Company had 8,400,000 options outstanding.

As at March 31, 2020 the Company had 7,392,009 warrants outstanding and as at the date of this document the Company had15,705,866 warrants outstanding.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosures concerning the Company's expenses are provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its restated financial statements for the period ended March 31, 2020. These statements are available on its SEDAR Page. Site accessed through www.sedar.com.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful and develop its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Limited Operating History

The Company has no consumer products producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. The Company has not earned profits to date from CPG sales and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from the Company's existing and future products. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Failure to Meet Business Objectives

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly

disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, or statements, whether because of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of the common shares.

Development of New Products and Services

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution is largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.

In addition, the Company is subject to supply chain risks relating to the necessary equipment, pharmaceuticals and supplies necessary to provide treatments. If there is a shortage in any of these items, the Company may not be able to treat patients and recover the necessary funds.

Dependence on Management Team

The Company will depend on certain key senior managers who oversee the Company's core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Reporting Issuer Status

As a reporting issuer, the Company is subject to reporting requirements under applicable Securities Laws and stock exchange policies. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations of a public company. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims currently, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be

asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition, and results of operations.

Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses more than any product liability coverage that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Trademark Protection

The Company currently has no obtained any registered trademarks. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labelling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations. Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

Conflicts of Interest

All of the Company's Directors and officers act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Commercialization

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced pre-clinical trials we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Unsatisfactory results relating to a research and development program may cause us or our collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly,

positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favourable results. Many companies in the biotechnology industry have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical, and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our programs, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Clinical Trial Failure Risk

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict results. Several companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Research Delays

We cannot predict whether any clinical trials will begin as planned or will be completed on schedule, or at all. Significant clinical trial delays could allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; patients failing to enroll or remain in our trials at the rate we expect; product candidates demonstrating a lack of safety or efficacy during clinical trials; patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns; competing clinical trials and scheduling conflicts with participating clinicians; clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; inspections of clinical trial sites by regulatory bodies or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; one or more regulatory bodies or ethics committees rejecting, suspending,

or terminating the study at an investigational site, precluding enrolment of additional subjects, or withdrawing its approval of the trial; or failure to reach agreement on acceptable terms with prospective clinical trial sites.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

Regulatory Approval Risks

The development and commercialization activities and product candidates are significantly regulated by several governmental entities, including the FDA, Health Canada, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labelling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit, or prevent regulatory approval. Even if we believe results from our clinical trials are favourable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

Risks Related to Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers

inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.)

Management Discussion & Analysis

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

For the six month period ended September 30, 2020 and the period from incorporation on September 9, 2019 to September 30, 2019

Date: March 9, 2021

General

This Management's Discussion & Analysis ("MD&A") of Champignon Brands Inc. ("Champignon" or the "Company") has been prepared by management and should be read in conjunction with the condensed interim consolidated financial statements ("Financial Statements") and accompanying notes for the six months period ended September 30, 2020 and the audited financial statements and accompanying notes for the year ended March 31, 2020. The Financial Statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 9, 2021

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com or the Company's website https://champignonbrands.com/.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. 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 financing and corporate plans relating to the potential acquisitions 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; 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; 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 under the heading "Risk Factors" and otherwise 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.

Overview

Champignon Brands Inc. (Formerly, Nature Leaf Wellness Corp.) ("Champignon" or the "Company") was incorporated on March 26, 2019, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of formulation and manufacturing of novel ketamine, ketamine derivatives and other psychedelics, and delivery platforms for nutraceutical and psychedelic medicine while being supported by its psychedelic medicine clinic platform. On June 7, 2019, the Company changed its name from Nature Leaf Wellness Corp. to Champignon Brands Inc. The Company's primary office (head office and records office) is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4

Altmed Capital Corp. ("Altmed") was incorporated under the Canada Business Corporations Act on September 9, 2019. Altmed's registered office is located at 1430 Hurontario St., Mississauga, Ontario L5G 3H4. The Company is in the start-up stage and is involved in the psychedelic industry.

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Altmed, a private company incorporated on September 9, 2019 and involved in the psychedelics industry. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed (collectively, the "Transaction"). Champignon also issued a total of 2,100,000 replacement warrants to warrant holders of Altmed. Lastly, the Company issued 2,000,000 common shares as finders' shares (the "Finders' Shares") in connection with the Transaction. The Finders' Shares were valued at $1,700,000 ($0.85 per share) and were recorded as a direct cost of the Transaction.

A significant shareholder and contracted consultant to Champignon was also a shareholder of Altmed and was issued 6,018,000 common shares of Champignon on the closing of the Transaction.

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes a reverse takeover transaction ("RTO") of Champignon by Altmed and has been accounted for as an RTO. Champignon qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an issuance of common shares by Altmed for the net assets (liabilities) of Champignon as well as Champignon's public listing, with Altmed as the continuing entity. Goodwill was recorded with respect to the Transaction, reflecting management's estimate of the fair value of Champignon's artisanal mushroom infused beverage business. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, Altmed is treated as the accounting parent company (legal subsidiary) and Champignon as the accounting subsidiary (legal parent) in this MD&A and the related financial statements. As Altmed was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Champignon's results of operations have been included from April 30, 2020 onwards. The comparative figures are those of Altmed.

Overall Performance

On April 10, 2020 (and as amended and completed on April 29, 2020), Altmed entered into a Share Purchase Agreement (the "Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE"), a ketamine clinic licensed by the College of Physicians and Surgeons in Ontario, Canada. Pursuant to the terms of the Share Purchase Agreement, Altmed paid $1,500,000 in cash consideration and issued a total of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share).

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement with Altmed, a private company incorporated on September 9, 2019 and involved in the psychedelics industry. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed. AltMed is a Canadian ketamine clinic operator, psychedelic medicine IP aggregator and novel drug discoverer. Altmed's clinic, the Canadian Rapid Treatment Center of Excellence (the "CRTCE")

is licensed by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (out-of-hospital premise program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD).

On May 6, 2020, the Company appointed Mr. Pat McCutcheon to the Company's board of directors. Mr. McCutcheon is the CEO of MediPharm Labs Corp. (TSX: LABS). Mr. McCutcheon held senior roles with various large pharmaceutical companies, including Jansen Pharmaceuticals, Sanofi and Astra Zeneca – where he was directly responsible for launching a wide range of medical products. The Company also appointed Matthew Fish as President and Secretary. In his private practice as a securities lawyer, Mr. Fish has developed extensive experience with respect to public companies, capital markets, as well as mergers and acquisitions.

On May 10, 2020, the Company executed a term sheet (the "Term Sheet") with California, U.S. based Wellness Clinic of Orange County Inc. (the "Wellness Clinic"). The Wellness Clinic owns and operates a ketamine infusion treatment center located within the Mission Hospital's Laguna Beach campus. The Term Sheet was terminated on July 1, 2020.

On May 11, 2020, the Company appointed Dr. Roger McIntyre as the CEO. Dr. McIntyre is a Professor of Psychiatry and Pharmacology at the University of Toronto and head of the Mood Disorders Psychopharmacology unit at the University Health Network, Toronto, Canada. Gareth Birdsall resigned from his positions of CEO, President and Secretary in connections with the appointments of Mr. Fish and Dr. McIntyre.

On May 13, 2020, the Company entered into a letter agreement with Canaccord Genuity Corp. ("Canaccord Genuity") and Eight Capital ("Eight" and together with Canaccord Genuity, the "Co-Lead Underwriters"), to purchase, on a bought deal private placement basis (the "Bought Deal"), 17,647,500 units of the Company (the "Units") at a price of $0.85 per Unit (the "Issue Price") amounting to aggregate gross proceeds of $15,000,375 (the "Offering"). Each Unit was comprised of one common share of the Company (a "Common Share") and one half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share at a price of $1.15 per Warrant for a period of 24 months from the closing of the Offering. The Offering was conducted by a syndicate of underwriters (collectively, the "Underwriters") led by the Co-Lead Underwriters. The Company has agreed to pay the Underwriters a cash commission payable on the closing date of the Offering equal to 7.0% of the aggregate gross proceeds of the Offering and to issue the Underwriters warrants (the "Broker Warrants"), exercisable to acquire, within 24 months from the closing of the Offering, in the aggregate, that number of Units which is equal to 7.0% of the number of Units sold under the Offering. The Company also agreed to pay to the Underwriters a corporate finance fee consisted of $51,588 and 60,692 Broker Warrants.

On May 25, 2020, the Company appointed Dr. Bill Wilkerson, LL.D. (Hon) to the board of directors. Dr. Wilkerson was previously President of one of Canada's largest health benefits companies, Liberty Health, and held senior executive positions at the Royal Bank of Canada, CBC, and the Toronto Symphony Orchestra.

On May 29, 2020, certain shareholders of the Company agreed to a voluntary resale restriction period covering 17,840,000 common shares extending the period of time before the shares become free trading to July 15, 2020. These shares were previously only subject to a statutory hold period. The Company also announced that it has engaged Gold Standard Media, LLC ("GSM") to provide marketing and consulting services to raise public awareness of the Company, with a specific emphasis on the Company's North American clinical expansion. GSM is a limited liability company existing under the laws of the State of Texas with an office at 1102 S. Austin Ave, #110-283, Georgetown, Texas, USA.

On June 8, 2020, the Company announced it had selected Toronto-based Dalriada Drug Discovery Inc. ("Dalriada") to advance its new chemical entity ("NCE") IP portfolio as it pertains to ketamine and psilocybin/psilicin molecular scaffolds.

On June 11, 2020, the Company announced the closing of its previously announced "bought deal" private placement (the "Offering") of units of the Company ("Units") for aggregate gross proceeds of $15,000,375 which includes the full exercise of the option granted to the Underwriters (as defined below). A total of 17,647,500 Units were sold pursuant to the Offering at a price of $0.85 per Unit. Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share (a "Warrant Share") at a price of $1.15 per Warrant Share until June 11, 2022. The Offering was completed by a syndicate of underwriters co-led by Canaccord Genuity Corp. and Eight Capital, and includes Gravitas Securities Inc. (collectively, the "Underwriters"). All securities issued pursuant to the Offering are subject to a

statutory four month and one day hold period. The Company intends to use the net proceeds of the Offering for the Company's North American clinical expansion program as well as for general working capital purposes.

On June 12, 2020, the Company announced that since commencing trading on March 2, 2020 the Company has expanded its initiatives and rapidly executed on such initiatives to position the Company as a leading publicly traded psychedelic medicine company developing novel rapid onset treatments for depression, post-traumatic stress disorder ("PTSD"), and substance-use disorders ("SUD") via the clinical delivery of ketamine and ketamine-derivatives.

On June 19, 2020, the Company continued to highlight the scientific merit of its ketamine treatments for Major Depressive Disorder (MDD) while demonstrating rapid onset efficacy and safety of its treatment processes.

On June 22, 2020, Champignon announced it had been selected for a continuous disclosure review by the British Columbia Securities Commission (the "Commission"). The review related to the Champignon's disclosure obligations since it became a reporting issuer on February 6, 2020 and includes a review of the disclosure surrounding certain asset acquisitions completed by Champignon prior to the RTO. In connection with the review, the Commission issued a cease trade order suspending trading in the securities of Champignon, pending the filing of business acquisition reports by the Company in connection with the acquisitions.

On July 13, 2020, the Company announced corporate updates of the following; BCSC Continuous Disclosure Review, Corporate Rebranding & Spin Out, Wellness Clinic of Orange County Inc and AltMed Capital Corp.

On July 24, 2020, the Company announced it had filed business acquisition reports in connection with its previous acquisitions of Artisan Growers Ltd. ("Artisan Growers"), Novo Formulations Ltd. ("Novo") and Tassili Life Sciences Corp. ("Tassili") Copies of the reports are available for review under the Company's profile on SEDAR (www.sedar.com). The original cease trade order was subsequently revoked. Concurrently with the revocation of the original cease trade order, the Commission issued a replacement cease trade order, pending the filing of a revised material change report in connection with the RTO.

On August 27, 2020, the Company announced it was expanding its rapid-onset treatment service for major depressive disorder ("MDD"). The Company will offer esketamine for the treatment of adults with MDD at its Mississauga, Ontario 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.

On September 15, 2020, the Company announced that it continues to work with the British Columbia Securities Commission (the "Commission") to address an ongoing continuous disclosure review.

Subsequent Highlights

On October 5, 2020, the Company elected Dr. Roger McIntyre as Chairman of the Board of Directors of the Company.

On October 29, 2020, the Company announced it continues to work diligently with the British Columbia Securities Commission (the "Commission") to address the ongoing continuous disclosure review and to coordinate the revocation of the existing cease trade order. The Company will provide guidance on definitive timing for revocation as soon as possible.

On November 24, 2020, the Company provided an update on the Company's management and governance. The Company announced the following: the Company is actively recruiting a new Chief Financial Officer, Chief General Counsel, and Senior Vice President – Investor and Public Communications; The Company intends to expand its board with additional outside directors to be drawn from the business and science communities; the Company has accepted the resignation of Gareth Birdsall, director, effective November 23, 2020; and the Company has re-designed its website to facilitate proper access to current information by investors and the wider public.

On December 8, 2020, the Company announced that Christopher Hobbs joined the Company as Interim Chief Financial Officer (CFO), effective December 8, 2020. Stephen Brohman, the Company's current contract CFO, has resigned from the position, effective December 7, 2020.

On January 8, 2021, the Company announced the publication of an article written by a group led by its CEO, Dr. Roger McIntyre. The article – Bipolar Disorders – was published in one of the world's best-known and most reputable scientific journals in medicine - The Lancet.

On January 11, 2021, the Company announced the Company's appointment of Stephen R. Brooks as its new Chief Financial Officer and Peter Rizakos as the firm's new General Counsel.

On January 25, 2031, the Company announced that it opens first community-based centre in Ottawa to provide Ketamine treatment for adults with depression.

On February 4, 2021, the Company announced the appointment of Olga Cwiek to its board of directors and the retirement from the board of directors of William (Bill) Wilkerson.

Subsequent to the period ending September 30, 2020, the Company is obligated to issue shares in amount of 400,000 pursuant to proceeds received on the exercise of 150,000 stock options ($33,000) and a consulting agreement ($222,500).

Champignon Acquisition of Altmed

On April 10, 2020 (and as completed on April 30, 2020), Champignon entered into an Amalgamation Agreement with Altmed, a private company incorporated on September 9, 2019. Pursuant to the Amalgamation Agreement, Champignon acquired all of the issued and outstanding securities in the capital of Altmed in exchange for the issuance of an aggregate of 75,674,000 (2,000 Champignon common shares for every 1 Altmed share held) common shares in the capital of Champignon to the shareholders of Altmed. AltMed is a Canadian ketamine clinic operator, psychedelic medicine IP aggregator and novel drug discoverer. Altmed's clinic, CRTCE is licensed by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (out-of-hospital premise program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD).

The Transaction resulted in the shareholders of Altmed obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes an RTO of Champignon by Altmed and has been accounted for as a RTO. Champignon qualified as a business under the definitions of IFRS 3, and the Transaction was treated as an issuance of common shares by Altmed for the net assets (liabilities) of Champignon as well as Champignon's public listing, with Altmed as the continuing entity. Goodwill was recorded with respect to the Transaction, reflecting management's estimate of the fair value of Champignon's artisanal mushroom infused beverage business. The excess of consideration over the fair value of net assets acquired has been recorded as a listing expense, consistent with the guidance of IFRS 3.

For accounting purposes, Altmed is treated as the accounting parent company (legal subsidiary) and Champignon as the accounting subsidiary (legal parent) in these financial statements. As Altmed was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. Champignon's results of operations have been included from April 30, 2020 onwards.

The Company is in the process of assessing the fair value of the net assets acquired and, as a result, the fair value of the net assets acquired may be subject to adjustments pending completion of final valuations and post-closing adjustments. The table below summarizes the preliminary estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets (liabilities) of Champignon Brands Inc. acquired:	April 30, 2020 $
Cash	182,535
Receivables	207,922
Inventory	107,891
Prepaid expenses	839,154
Equipment	6,853
Intangible assets – website	108,929
Accounts payable and accrued liabilities	(465,619)
Lease liability	(7,541)
Net assets acquired	980,124
Consideration paid on RTO:	$
Common shares (fair value of 81,299,030 common shares $0.85 per share)	69,104,176
Options and warrants assumed at RTO	8,229,831
Finder's common shares (fair value of 2,000,000 common shares at $0.85 per share)	1,700,000
Total consideration paid	79,034,007
Allocation of excess consideration over the fair value of net assets acquired:	
Goodwill	260,000
Listing expense	77,793,883

The Transaction was measured at the fair value of the shares options and warrants that Altmed would have had to issue to the shareholders of Champignon, to give the shareholders of Champignon the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Altmed acquiring Champignon.

Rationale for Acquisition

Motivated by the rising interest in the use of psychedelic medicines to treat a range of mental health issues, the Company saw Altmed as a transformative acquisition. The acquisition enabled the Company to obtain access to Altmed management expertise, clinical operations and psychedelic IP research and development. Dr. Roger McIntyre, a key executive and founder of Altmed is widely regarded as the world's most recognized psychiatrists in relation to mood disorders. He became the CEO of the Company and key shareholder of the Company as a result of the acquisition and related transactions. The acquisition helps accelerate the Company's expanding business strategy to provide treatment protocols to address a range of mental health disorders with an emphasis on psychedelic medicines (also see Altmed Acquisition of CRTCE below).

The Company's access to capital, strong capital markets presence and recent acquisitions related to research and development of psychedelics medicines provides Altmed an opportunity to accelerate its business plan to open new clinics and fund research and development of psychedelic medicines.

The terms of the acquisition were negotiated between the Company and Altmed based on estimated relative values of the companies and taking into consideration market conditions. At the time of negotiations, the interest in the psychedelic medicines sector had increased significantly. From the date the Company entered into the negotiations with Altmed to the closing date, April 30, 2020 the Company's share price on the CSE increased from $0.41 to $0.89. Since the acquisition was all shares this resulted in a more than doubling of the value of the shares to be issued to the Altmed shareholders on the closing of the transaction.

Altmed Acquisition of CRTCE

On April 10, 2020 (and as amended and completed on April 29, 2020), Altmed entered into a Share Purchase Agreement (the "Share Purchase Agreement") with CRTCE, a ketamine clinic licensed by the College of Physicians and Surgeons in Ontario, under OHPP (out-of-hospital premises program) to administer ketamine treatments for indications, including, but not limited to, depression, bipolar disorder, post-traumatic stress disorder and obsessive-compulsive disorder (OCD). Pursuant to the terms of the Share Purchase Agreement, Altmed paid $1,500,000 in cash consideration and issued a total of 10,455 common shares with an aggregate fair value of $5,227,500 ($500 per share). This acquisition has been accounted for as a business combination as CRTCE met the definition of a business under IFRS 3, *Business Combinations* ("IFRS 3").

In accordance with IFRS 3, the equity consideration on transfer was measured at fair value on the date of acquisition, which is the date control was obtained.

The table below summarizes the preliminary estimated fair value of the assets acquired and the liabilities assumed at the effective acquisition date:

Net assets (liabilities) of CRTCE acquired:	April 29, 2020 $
Cash	33,076
Receivables	503
Prepaid expenses	2,354
Equipment	21,632
Shareholder loan	7,354
Accounts payable and accrued liabilities	(58,222)
Net assets acquired	6,697

Consideration paid on business combination:	$
Common shares (fair value of 10,455 common shares $500 per share)	5,227,500
Cash consideration	1,500,000
Total consideration paid	6,727,500
Allocation of excess consideration over the fair value of net assets acquired:	
Goodwill	6,720,803

Altmed is in the process of assessing the fair value of the net assets acquired and, as a result, the fair value of the net assets acquired may be subject to adjustments pending completion of final valuations and post-closing adjustments. The purchase price allocations for the acquisition of CRTCE reflects preliminary fair value estimates. Management continues to finalize the purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill. The initial goodwill recognized on the acquisition of CRTCE relates primarily to the preliminary estimated fair value of CRTCE's clinic operations.

Rationale for Acquisition

CRTCE's management expertise, clinic operations and psychedelic IP research and development will help accelerate the Company's expanding business strategy to provide treatment protocols to address a range of disorders and deficiencies with an emphasis on psychedelic medicine. CRTCE's chief executive officer, Dr. McIntyre is widely regarded as the world's most recognized psychiatrist in relation to mood disorders. He has extensive experience collaborating with private-sector partners, including but not limited to entities within the pharmaceutical industry, the insurance industry and the health care industry in Canada, the United States and globally. In addition to being the chief executive officer of CRTCE, Dr. McIntyre is is a Professor of Psychiatry and Pharmacology at the University of Toronto and Head of the Mood Disorders Psychopharmacology Unit at the University Health Network, Toronto, Canada. Dr. McIntyre is also Executive Director of the Brain and Cognition Discovery Foundation in Toronto; Director and Chair of the Scientific Advisory Board of the Depression and Bipolar Support Alliance (DBSA) in Chicago, Illinois; Professor and Nanshan scholar at Guangzhou Medical University; and Adjunct Professor at the College of Medicine at Korea University. Furthermore, Dr. McIntyre is a Clinical Professor at the State University of New York (SUNY) Upstate Medical University, Syracuse, New York, and a Clinical Professor, Department of Psychiatry and Neurosciences, at the University of California Riverside School of Medicine.

The consideration paid on the acquisition of CRTCE was negotiated at arm's length between Altmed and the shareholders of CRTCE (Dr. McIntyre was the majority shareholder of CRTCE). None of the shareholders of CRTCE were related parties to Altmed.

Selected Annual Information

	Period September 9, 2019 to March 31, 2020 $
Operating expenses	1,925,157
Net Income (loss)	(1,925,157)
Basic and diluted earnings (loss) per share	124

	March 31, 2020 $
Cash	3,051,566
Total assets	3,063,693
Total current liabilities	79,042
Total long-term debt	nil
Dividends	nil

Results of Operations - Revenue

The Company recorded revenues of $474,858 and a gross margin of $63,840 for the six month ended September 30, 2020. The Company recorded revenues of $249,049 and a gross margin of $3,603 for the three month period ended September 30, 2020. The gross margin percentage approximates 13% and 2% for the six months and three months ended September 30, 2020, respectively. Revenues consists primarily of revenue from the providing of ketamine infusion treatments at the CRTCE clinic. The Company derives most of its revenue from providing Ketamine infusion treatments to patients. Initial treatments consist of four separate treatments over a two-week period. Revenues are recognized when each treatment is completed and payment is received or receivable upon rendering of treatments, provided that the amount to be received can be reasonably estimated and collection is reasonably assured. Payments received prior to patients receiving treatments is recorded as deferred revenue.

Cost of sales is primarily composed of the costs to provide the ketamine infusion treatments. These costs include the cost of medical supplies and fees paid to medical professionals for administering the ketamine infusion treatment.

The Company was incorporated on September 9, 2019 and as such, there were no revenue and expenses in the comparative period.

Results of Operations - Expenses

The Company incurred loss and comprehensive loss of $84,691,473 during the six months ended September 30, 2020 and $2,052,580 during the three months ended September 30, 2020.

The main factors that contributed to the loss in the three month period were professional fees of $420,243, advertising and promotion of $514,022, research and development of $445,916 and consulting fees of $439,646.

The main factors that contributed to the loss in the six month period were professional fees of $781,627, advertising and promotion of $1,117,456, consulting fees of $866,490, office and miscellaneous of $280,330, research and development expenses of $974,748, share based compensation of $2,808,726 and listing expenses of $77,793,883.

Professional fees consist of bookkeeping, financial reporting, audit and accounting and legal fees in connection with the cease trade order and subsequent business activities.

Advertising and promotion expenses relate primarily to marketing campaigns to raise awareness and branding of the Company as it entered the psychedelic medicine sector. The marketing programs were deemed necessary by the Company to assist in the raising of capital. More specifically, marketing costs incurred included; digital marketing and data analytical services, creation of sponsored company articles, search engine optimization, news distribution, podcasts, video production, content creation and graphics creation.

The Company engaged an array of consultants and paid various fees in connection with the operation of its business and with respect to the disclosed acquisitions. Consulting fees consist of fees paid for general management support, project management, executive assistances, capital markets advisory services, scientific advisory services, foreign listing consultants, psychedelic industry experts, as the Company engages an array of consultants and various fees in connection with the acquisitions, respectively. The Company relies heavily on consultants to help it achieve its goals on all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include management, advisors, technical support and other support roles.

Office and miscellaneous consists of corporate service fees and office supplies

Research and development related to costs incurred by the Company in developing new drug formulations, and the manufacturing of novel ketamine, anaesthetics and delivery platforms for nutraceutical and psychedelic medicine. During the six month period ended September 30, 2020 research and development expenditures of $837,214 related to the Collaborative Research Agreement with the University of Miami incurred by the Company's wholly owned subsidiary Tassili. The Collaborative Research Agreement includes pre-clinical trials funded by Tassli being completed by the University of Miami to assess how the combination of psilocybin and CBD may mitigate the adverse effects of PTSD and traumatic brain injuries with PTSD. In addition, the Company incurred $107,352 for supplies and consulting fees related to product development and $30,182 in consulting fees for research analysis at the CRTCE clinic.

Share based compensation relates to stock options and acquisitions through share-based transactions. During the period ended September 30, 2020, the Company issued 3,900,000 stock options with a weighted average price of $1.02 with an average expiry of 1.42 years.

Listing expenses solely relates to the reverse acquisition (RTO) of Champignon by Altmed. See Champignon Acquisition of Altmed above.

The Company was incorporated on September 9, 2019 and as such, there were no expenses for the comparative periods.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed quarters. This information is derived from audited financial statements prepared by management and unaudited interim condensed consolidated financial statements. The information is reported in accordance with IFRS and expressed in Canadian Dollars unless otherwise stated.

	2021		2020	
	Qtr 2	**Qtr 1**	**Qtr 4**	**Qtr 3**
	$	**$**	**$**	**$**
Revenue	249,049	225,809	-	-
Total assets	21,073,101	22,488,095	3,063,693	1
Total liabilities	1,113,022	633,562	79,042	-
Net Loss	(2,052,580)	(82,638,894)	(1,925,157)	-
Basic and diluted loss per share	(0.01)	(0.59)	(124.05)	-

The Company was incorporated on September 9, 2019 and has a March 31 year-end, therefore there are no comparative period numbers prior to this date.

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of activities being undertaken at any time and the availability of funding from investors or collaboration partners.

During six-months ended September 30, 2020, the Company completed its reverse acquisition of Altmed and acquired assets and liabilities of $1,453,284 and $473,160, respectively. In relation to the acquisition, the Company incurred $77,793,883 in listing expenses which were fully expensed during the period.

During the six-months ended September 30, 2020, the Company completed the acquisition of CRTCE and acquired assets and liabilities of $64,919 and $58,222 respectively. In relation to the acquisition, the Company recognized a goodwill of $6,720,802 in the condensed interim consolidated statement of financial position at September 30, 2020.

Liquidity and Capital Resources

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company has financed its operations to date through the issuance of common shares.

	September 30, 2020 $	March 31, 2020 $
Working capital	12,345,946	2,984,651
Liabilities	1,113,022	79,042
Accumulated Deficit	86,616,630	1,925,157

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's future revenues, if any, are expected to be from the licensing of the Company's intellectual property. The economics of developing and realizing licensing revenues are affected by many factors including the cost of operations, regulatory approval, and results of clinical studies. There is no guarantee that the Company will be able to license its intellectual property.

Liquidity and Capital Resources – Cash Flow

Operating Activities:

During the period ended September 30, 2020, $3,538,130 (2019 – $Nil) cash was used in operating activities. This consisted primarily of cash paid for advertising and promotion, consulting fees, professional fees, research and development and office and miscellaneous expenses.

Financing Activities:

During the six month period ended September 30, 2020, the Company raised net proceeds of $13,920,259 from private placements. The Company received proceeds of $145,909 from warrant exercises, $33,000 from stock options exercises, and $275,000 from share subscriptions received.

Investing Activities:

During the six month period ended September 30, 2020, Altmed paid cash of $1,500,000 on the acquisition of CRTCE and acquired cash of $33,076 and $182,535 through the acquisitions of CRTCE and Champignon, respectively.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the interim consolidated financial statements for the period ended September 30, 2020.

Related Party Transactions

The Directors and Executive Officers of the Company are as follows:
Roger McIntyre, CEO and Director (CEO since May 11, 2020, appointed a director July 22, 2020)
Matthew Fish, President, Secretary and Director
Stephen Brohman, CFO and Director (ceased being an officer and director December 7, 2020)
Gareth Birdsall, CEO and Director (ceased being CEO May 11, 2020 and ceased being a director on November 23, 2020)
Jerry Habuda, Director
Dr. Bill Wilkerson, Director (appointed a director May 22, 2020 and ceased being a director February 4, 2021)
Pat McCutcheon, Former Director (appointed a director May 6, 2020 and ceased being a director July 22, 2020)
Joseph Perino, Former Director (ceased being a director May 22, 2020)

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	For the period ended September 30,	
	2020	2019
Consulting fees	$ 219,571	$ -
Professional fees	121,912	-
Total	$ 341,483	$ -

The fair value of 2,500,000 stock options granted to an Officer of the Company during the six months ended September 30, 2020 totaled $1,828,396.

In addition, the Company has identified Lucas Birdsall, a significant shareholder and contracted consultant to Champignon (the "Consultant") as a related party as the Consultant exerted significant influence over the Company. The Company incurred the following transactions with the Consultant during the six month period ended September 30, 2020:

- On April 30, 2020, the Company issued 75,674,000 common shares to acquire 100% of Altmed. The Consultant was a shareholder of Altmed and was issued 6,018,000 common shares with a fair value of $5,356,020 on the closing of the transaction between the Company and Altmed. The transaction was entered into at market terms using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- The Consultant was also paid $60,000 for consulting services during the six month period ended September 30, 2020.

Champignon incurred the following transactions with the Consultant during the period ended March 31, 2020:

- On March 20, 2020, Champignon issued 8,000,000 common shares with a fair value of $2,320,000 and acquired 100% of Artisan Growers. The Consultant was a shareholder of Artisan Growers and in exchange for his shares in Artisan Growers was issued 1,280,000 common shares with a fair value of $371,200 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 25, 2020, Champignon issued 12,500,000 common shares with a fair value of $4,375,000 and acquired 100% of Novo. The Consultant was a shareholder of Novo and in exchange for his shares in Novo was issued 1,500,000 common shares with a fair value of $525,000 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.
- On March 26, 2020, Champignon issued 16,000,001 common shares with a fair value of $5,840,000 and acquired 100% of Tassili. The Consultant was a shareholder of Tassili and in exchange for his shares in Tassili was issued

2,500,000 common shares with a fair value of $912,500 on the closing of the transaction. The transaction was entered into at market terms and as such, Champignon determined the fair value using a level one input on the fair value hierarchy. There are no ongoing contractual or other commitments with the Consultant resulting from the transaction.

- The Consultant was paid $20,000 for consulting services.
- The Consultant was granted 1,400,000 stock options with a fair value of $268,121.

On November 17, 2020, the Company terminated the consulting agreement with the Consultant.

Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and

liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

The fair value of cash is measured using Level 1 inputs. The carrying value of accounts payable approximates its respective fair values due to their short-term term to maturity or guaranteed cash value at maturity.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

The Company has minimal credit risk exposure in respect of receivables, as they primarily consist of refundable credits are due from Canadian Government.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of September 30, 2020, the Company had current assets of $13,458,968 to cover short term obligations of $1,113,022.

Historically, the Company's sole source of funding has been through share and unit offerings. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2020, the Company did not have any financial instruments subject to interest rate risk (variable or fixed).

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

IFRS 16 Leases

IFRS 16, Leases: This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 16. Champignon acquired, through the acquisition of Artisan Growers Ltd., a cultivation facility lease expiring on August 1, 2020, subject to certain renewal term. The lease is reflected on the balance sheet as a right-of-use asset, with an associated lease liability.

Other MD&A Disclosure Requirements

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

As at September 30, 2020 and the date of this document, the Company had the following number of securities outstanding:

- 177,290,212 common shares issued and outstanding;
- 8,400,000 options outstanding; and
- 15,705,866 warrants outstanding.

Stock options

The Directors of the Company adopted a Stock Option Plan on October 15, 2019 (the "Plan") that allows it to grant options, subject to regulatory terms and approval, to its Officers, Directors, employees and certain consultants. The Plan is based on the maximum number of eligible shares equalling a rolling percentage of up to 10% of the Company's outstanding common shares, calculated from time to time.

A summary of the status of the Company's options as at September 30, 2020 and March 31, 2020, and changes during the periods then ended is as follows:

	Six months ended September 30, 2020		from September 9, 2019 (date of incorporation) to March 31, 2020	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Outstanding options, beginning of period	-	-	-	-
Assumed on RTO	7,800,000	0.32		
Granted	3,900,000	1.02	-	-
Exercised	(150,000)	0.22	-	-
Cancelled	(3,150,000)	0.38		
Options outstanding, end of period	8,400,000	0.62	-	-

As at September 30, 2020 the Company had options outstanding and exercisable as follows:

Options outstanding	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
3,100,000	3,100,000	0.22	1.42	March 2, 2022
800,000	800,000	0.35	1.48	March 25, 2022
600,000	600,000	0.495	1.50	March 30, 2022
3,750,000	3,750,000	0.99	4.61	May 11, 2025
150,000	150,000	1.69	1.67	June 1, 2022
8,400,000	8,400,000	0.56	2.86	

The outstanding options at September 30, 2020 were issued to consultants, directors and officers of the Company as broken down as follows:

Category	Number of Options	Exercise Price	Expiry Date
Executive officers and directors, as a group (including former officers)	500,000	0.22	March 2, 2022
	3,750,000	0.99	May 11, 2025
Consultants, as a group	2,600,000	0.22	March 2, 2022
	800,000	0.35	March 25, 2022
	600,000	0.495	March 30, 2022
	150,000	1.69	June 1, 2022
Total	8,400,000		

Options were issued to consultants for services to be provided. Services include introductions to companies and individuals in the psychedelics industry, capital markets advisory services and marketing and promotional activities. During the six month period ended September 30, 2020, options issued to consultants totaling 3,150,000 were cancelled by the Company as the services to be provided by the consultants never materialized. The Company is reviewing the remaining options issued to consultants to confirm the expected services were or will be provided to the Company.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosures concerning the Company's expenses are provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its consolidated financial statements for the period ended September 30, 2020. These statements are available on its SEDAR Page. Site accessed through www.sedar.com.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful and develop its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Limited Operating History

The Company has no consumer products producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. The Company has not earned profits to date from CPG sales and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from the Company's existing and future products. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Failure to Meet Business Objectives

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly

disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, or statements, whether because of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of common shares.

Development of New Products and Services

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution is largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.
In addition, the Company is subject to supply chain risks relating to the necessary equipment, pharmaceuticals and supplies necessary to provide treatments. If there is a shortage in any of these items, the Company may not be able to treat patients and recover the necessary funds.

Dependence on Management Team

The Company will depend on certain key senior managers who oversee the Company's core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Reporting Issuer Status

As a reporting issuer, the Company is subject to reporting requirements under applicable Securities Laws and stock exchange policies. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims currently, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition, and results of operations.

Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses more than any product liability coverage that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Trademark Protection

The Company currently has no obtained any registered trademarks. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labelling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the common shares may go down as well as up and the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the common shares distributed hereunder will be affected by such volatility.

Conflicts of Interest

The Company's Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Commercialization

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced pre-clinical trials we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Unsatisfactory results relating to a research and development program may cause us or our collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly,

positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favourable results. Many companies in the biotechnology industry have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical, and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our programs, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Clinical Trial Failure Risk

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict results. Several companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Research Delays

We cannot predict whether any clinical trials will begin as planned or will be completed on schedule, or at all. Significant clinical trial delays could allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; patients failing to enroll or remain in our trials at the rate we expect; product candidates demonstrating a lack of safety or efficacy during clinical trials; patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns; competing clinical trials and scheduling conflicts with participating clinicians; clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; inspections of clinical trial sites by regulatory bodies or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; one or more regulatory bodies or ethics committees rejecting, suspending,

or terminating the study at an investigational site, precluding enrolment of additional subjects, or withdrawing its approval of the trial; or failure to reach agreement on acceptable terms with prospective clinical trial sites.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

Regulatory Approval Risks

The development and commercialization activities and product candidates are significantly regulated by several governmental entities, including the FDA, Health Canada, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labelling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit, or prevent regulatory approval. Even if we believe results from our clinical trials are favourable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

Risks Related to Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

Risks Related to Intellectual Property (Continued)

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be

challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

SCHEDULE “C”

ALTMED CAPITAL FINANCIAL STATEMENTS

(See attached)

ALTMED CAITAL CORP.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 9, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

(In Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Altmed Capital Corp.

Opinion

We have audited the financial statements of Altmed Capital Corp. (the "Company"), which comprise the statement of financial position as at March 31, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity and of cash flows for the period from September 9, 2019 (date of incorporation) to March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its financial performance and its cash flows for the period September 9, 2019 (date of incorporation) to March 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

August 7, 2020

ALTMED CAPITAL CORP.
Statement of Financial Position
(Expressed in Canadian dollars)

As at		March 31, 2020
Assets		
Current assets		
Cash	$	3,051,566
Sales tax receivable		1,930
Prepaids		10,197
Total assets	**$**	**3,063,693**
Liabilities		
Current liabilities		
Promissory note (note 4)	$	49,967
Accounts payable		19,075
Accrued liabilities		10,000
Total liabilities		**79,042**
Shareholders' equity		
Share capital (note 5)		3,247,715
Obligation to issue shares (note 5)		60,000
Subscription receivable (note 5)		(275,000)
Share-based payment reserve (note 5)		1,877,093
Accumulated deficit		(1,925,157)
Total shareholders' equity		**2,984,651**
Total liabilities and shareholders' equity	**$**	**3,063,693**

Nature and continuance of operations *(note 1)*

Subsequent events *(note 10)*

Approved and authorized for issue on behalf of the Board of Directors on August 7, 2020

"Gareth Birdsall"
Director

The accompanying notes are an integral part of these financial statements.

ALTMED CAPITAL CORP.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the period from September 9, 2019 (date of incorporation) to March 31, 2020
Expenses		
Advertising	**$**	4,460
Bank charges		286
Stock-based compensation (notes 5 and 6)		1,877,093
Consulting		7,500
Travel		3,875
Research and development		3,776
Accounting		10,000
Legal		18,167
Net loss and comprehensive loss for the period	**$**	(1,925,157)
Loss per share, basic and diluted	$	124.05
Weighted average shares outstanding, basic and diluted		15,519

The accompanying notes are an integral part of these financial statements.

ALTMED CAPITAL CORP.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Share Subscription Receivable	Obligation to issue Shares	Share Based Payment Reserve	Deficit	Total
Balance, September 9, 2019 (date of incorporation)	-	$ -	$ -	$ -	$ -	$ -	$ -
Common shares issued for cash (note 5)	23,092	3,247,715	(275,000)	-	533,400	-	3,506,115
Obligation to issue shares (note 5)	-	-	-	60,000		-	60,000
Warrants for services (notes 5 and 6)	-	-	-	-	1,343,693	-	1,343,693
Net loss for the period	-	-	-	-	-	(1,925,157)	(1,925,157)
Balance, March 31, 2020	**23,092**	**$ 3,247,715**	**$ (275,000)**	**$ 60,000**	**$ 1,877,093**	**$ (1,925,157)**	**$ 2,984,651**

The accompanying notes are an integral part of these financial statements.

ALTMED CAPITAL CORP.
Statement of Cash Flows
(Expressed in Canadian dollars)

		For the period from September 9, 2019 (date of incorporation) to March 31, 2020
Cash flow used in operating activities		
Net loss for the period	$	(1,925,157)
Non-cash items:		
Stock-based compensation		1,877,093
Change in non-cash working capital		
Prepaids		(10,197)
Sales tax receivable		(1,930)
Accounts payable		19,075
Accrued liabilities		10,000
Cash used in operating activities		(31,116)
Cash flow provided by financing activities		
Cash received for shares to be issued		60,000
Promissory note		49,967
Issuance of common shares for cash		2,972,715
		3,082,682
Increase in cash		3,051,566
Cash, beginning of period		-
Cash, ending of period	$	3,051,566

The accompanying notes are an integral part of these financial statements.

1. Nature and Continuance of Operations

Altmed Capital Corp. (the "Company") was incorporated under the *Canada Business Corporations Act* on September 9, 2019. The Company's registered office is located at 595 –Howe Street, Vancouver, British Columbia, V6C 2T5 Canada. The Company is in the start-up stage and is involved in the psychedelic industry.

At March 31, 2020, the Company had not yet achieved profitable operations, has accumulated losses of $1,925,157 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. Basis of Presentation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the reporting period ended March 31, 2020.

The Board of Directors approved these financial statements on August 7, 2020.

(b) Basis of presentation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

(c) Functional and presentation currency

The Company's functional currency, as determined by management, is the Canadian dollar. The financial statements are presented in Canadian dollars.

2. Basis of Presentation (Continued)

(d) Use of estimates and judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The following are judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
(ii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.
(iii) The Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. Significant Accounting Policies

A summary of the significant accounting policies, which have been applied consistently to all periods presented in the accompanying financial statements are set out below:

Research and development

Research costs are expensed in the year incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred.

3. Significant Accounting Policies (continued)

Research and development (continued)

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures will be expensed as incurred. No development costs have been capitalized to date.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification under IFRS 9
Cash	FVTPL
Promissory note	Amortized cost
Accounts payable	Amortized cost

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the year in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statements of loss and comprehensive loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets –The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities –The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of loss and comprehensive loss.

Stock-based compensation

Company grants warrants to acquire common shares of the Company to directors and shareholders.

The fair value of the warrants is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the period that the warrants are earned. A forfeiture rate is estimated on the grant date. The fair value of the warrants is measured at the date of grant. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of warrant is recorded as share capital and the related share-based payments reserve is transferred to share capital.

3. Significant Accounting Policies (Continued)

Loss per common share, basic and diluted

Basic loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. Warrants have been excluded from the calculation of diluted loss per share because their effect is anti-dilutive.

Income taxes

Income taxes are comprised of current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity (deficiency), in which case the income tax is also recognized directly in shareholders' equity (deficiency).

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable the assets can be recovered.

When applicable, deferred income tax assets and liabilities are presented as non-current.

IFRS 16 - Leases

The Company adopted IFRS 16 - Leases on September 9, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company has no leases and therefore the adoption of IFRS 16 did not have any impact on the financial statements.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. Promissory Note

On September 11, 2019, the Company entered into a promissory agreement with an arm's length party for gross proceeds of $50,000 ("Loan"). The Loan is non-interest bearing, due on demand and unsecured.

5. Shareholders' Equity

Authorized share capital

The Company is authorized to issue an unlimited number of common and preferred shares with no par value.

Outstanding share capital

Period from September 9, 2019 (date of incorporation) to March 31, 2020:

On September 9, 2019, the Company issued 10,001 common shares for gross proceeds of $10.

On October 15, 2019, the Company issued 5,000 common shares for gross proceeds of $5.

On December 7, 2019, the Company issued 1,322 common shares for gross proceeds of $396,600.

On February 28, 2020, the Company issued 782 common shares for gross proceeds of $391,000.

On March 11, 2020, the Company issued 2,667 common shares for gross proceeds of $800,100. These shares were issued with a discount of $300 per share in comparison with the private placements completed during March 2020, at the price of $500 per share. As result, the Company recognized $533,400 as stock-based compensation in the Statement of Loss and Comprehensive Loss for the period ended March 31, 2020. The Company recorded a subscription receivable of $250,000, which was received subsequent to period end.

On March 12, 2020, the Company issued 2,110 common shares for gross proceeds of $1,055,000.

On March 16, 2020, the Company issued 470 common shares for gross proceeds of $235,000

On March 20, 2020, the Company issued 740 common shares for gross proceeds of $370,000. The Company recorded a subscription receivable of $25,000, which was received subsequent to period end.

The Company recorded an obligation to issue shares in the amount of $60,000 for shares issued subsequent to period end for cash which was received before March 31, 2020.

Warrants

The following table summarizes the Company's warrant activity for the periods indicated:

	Number of warrants	Weighted average exercise price
Outstanding, September 9, 2019 (date of incorporation)	-	-
Granted	5,050	104
Outstanding, March 31, 2020	**5,050**	**104**

5. Shareholders' Equity (continued)

Warrants (continued)

On February 6, 2020, the Company issued 4,000 warrants to shareholders and directors of the Company with an exercise price of $0.001 which mature on February 6, 2025, in consideration of services granted to the Company (Note 6).

On February 20, 2020, the Company issued to shareholders and directors of the Company 1,050 warrants with an exercise price of $500 which mature on February 20, 2022, in consideration of services granted to the Company.

The following table presents information related to warrants outstanding as of March 31, 2020:

Warrants Outstanding		Weighted average exercise price	Weighted average remaining life (years)
4,000	$	0.001	4.9
1,050		500	1.9

During the period ended March 31, 2020, the fair value of $1,199,996 for the 4,000 warrants issued was estimated using the Black – Scholes Options Pricing Model assuming a risk-free rate of 1.42%, an expected life of 5 years, an expected volatility of 110%, and no expected dividends.

During the period ended March 31, 2020, the fair value of $143,697 for the 1,050 warrants issued was estimated using the Black – Scholes Options Pricing Model assuming a risk-free rate of 1.48%, an expected life of 2 years, an expected volatility of 110%, and no expected dividends.

6. Related Party Transactions

During the period ended March 31, 2020, the Company issued 400 warrants with fair value of $120,000 to the CFO and director of the Company in consideration of services granted to the Company (Note 5).

During the period ended March 31, 2020, the Company issued 50 warrants with fair value of $15,000 to a director of the Company in consideration of services granted to the Company (Note 5).

7. Capital Management

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares.

8. Financial Instruments and Risk Management

Financial Instruments

The Company's financial statements consist of cash, promissory note and accounts payable.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

8. Financial Instruments and Risk Management (Continued)

Fair Value Hierarchy (continued)

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities
Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data
Level 3 – inputs for assets and liabilities not based upon observable market data

The Company's cash has been valued using Level 1 inputs. The carrying values of accounts payable and promissory note approximates their fair values due to their short periods to maturity.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash. The Company's cash is held at a major Canadian bank. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss. Credit risk is assessed as low.

(b) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at March 31, 2020, the Company has a cash balance of $3,051,566 to settle liabilities of $79,042. Liquidity risk is assessed as low.

(c) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk. Interest rate risk is assessed as low.

9. Income Taxes

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	For the period from September 9, 2019 (date of incorporation) to March 31, 2020
	$
Loss before income taxes	(1,925,157)
Statutory rate	27.00%
Expected income tax recovery	(519,792)
Non-deductibles expenses	506,815
Increase in unrecognized deferred taxes	12,977
Deferred income tax recovery	**-**

9. Income Taxes (continued)

Details of unrecognized deferred tax assets are as follows:

	March 31, 2020 $
Deferred income tax assets:	
Non-capital losses carried forward	12,977
Total deferred income tax assets	12,977
Less: unrecognized deferred tax assets	(12,977)
Deferred income tax assets	-

The non-capital losses totaling $12,977, may be carried forward to apply against future years income tax for Canadian purposes. This amount will expire in 2040. Tax attributes are subject to revision, and potential adjustment by tax authorities.

10. Subsequent Events

a) On April 3, 2020, the Company issued 4,000 common shares pursuant to warrant exercises for gross proceeds of $4.

b) On April 6, 2020, the Company issued 290 common shares for gross proceeds of $145,000.

c) On April 9, 2020, the Company entered into an Amalgamation Agreement ("Amalgamation Agreement") with Champignon Brands Inc. ("Champignon") and 1246882 BC Ltd. Under the term of the agreement, Champignon will acquire 100% of the issued and outstanding shares of the Company for a total consideration of 2,000 Champignon common share for every 1 share of the Company. All of the Company's warrants outstanding will be cancelled and the Company's warrant holders will receive Champignon replacement warrants in exchange.

d) On April 10, 2020, the Company entered into a Share Purchase Agreement ("Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE") (amended April 29, 2020). Pursuant to the terms of the Share Purchase Agreement, the Company paid $1,500,000 cash consideration and issued 10,455 common shares.

e) On May 15, 2020, the Company entered into an Independent Contractor Agreement with 576139 Ontario Inc. ("Consultant). Pursuant to the terms of the Independent Contractor Agreement, the Company will pay the Consultant $15,000 per month for services provided. Following June 11, 2020, the Company will cause Champignon to issue to the Consultant, 250,000 common shares of Champignon. The Independent Contractor Agreement is for term of two years commencing on on May 15, 2020 and expiring on May 15, 2022.

f) On May 26, 2020, the Company entered into an Independent Contractor Agreement with a consultant. Pursuant to the terms of the Independent Contractor Agreement, the Company will pay $5,000 per month for the Consultant's service beginning June 1, 2020 and ending on June 1, 2021. On September 1, 2020, the Company will re-evaluate the fee paid to this consultant. This agreement will expire on June 1, 2021.

SCHEDULE “D”

ALTMED CAPITAL MD&A

(See attached)

ALTMED CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

For the period from September 9, 2019 (date of incorporation) to March 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period from incorporation on September 9, 2019 to March 31, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and notes thereto for the from incorporation on September 30, 2019 to March 31, 2020 of AltMed Capital Corp. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of August 7, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

DESCRIPTION OF BUSINESS

The Company was incorporated on September 9, 2019, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of being an alternative medicine business incubator, intellectual property (IP) aggregator and solutions provider with a focus on psychedelic medicines.

OVERALL PERFORMANCE

Period Ended Highlights

On December 7, 2019, the Company issued 1,322 common shares for gross proceeds of $396,600.
On February 28, 2020, the Company issued 782 common shares for gross proceeds of $391,000.

On March 11, 2020, the Company issued 2,667 common shares for gross proceeds of $800,100. These shares were issued with a discount of $300 per share in comparison with the private placements completed during March 2020, at the price of $500 per share. As result, the Company recognized $533,400 as stock-based compensation in the Statement of Loss and Comprehensive Loss for the period ended March 31, 2020. The Company recorded a subscription receivable of $250,000, which was received subsequent to period end.

On March 12, 2020, the Company issued 2,110 common shares for gross proceeds of $1,055,000.

On March 16, 2020, the Company issued 470 common shares for gross proceeds of $235,000

On March 20, 2020, the Company issued 740 common shares for gross proceeds of $370,000. The Company recorded a subscription receivable of $25,000, which was received subsequent to period end. The Company recorded an obligation to issue shares in the amount of $60,000 for shares issued subsequent to period end for cash which was received before March 31, 2020.

Subsequent Event Highlights

On April 9, 2020, the Company entered into an Amalgamation Agreement ("Amalgamation Agreement") with Champignon Brands Inc. ("Champignon") and 1246882 BC Ltd. Under the term of the agreement, Champignon will acquire 100% of the issued and outstanding shares of the Company for a total consideration of 2,000 Champignon common share for every 1 share of the Company. All of the Company's warrants outstanding will be cancelled and the Company's warrant holders will receive Champignon replacement warrants in exchange.

On April 10, 2020, the Company entered into a Share Purchase Agreement ("Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE") (amended April 29, 2020). Pursuant to the terms of the Share Purchase Agreement, the Company paid $1,500,000 cash consideration and issued 10,455 common shares.

SELECTED ANNUAL INFORMATION

	Period ended March 31, 2020
	$
Operating expenses	1,925,157
Net Income (loss)	(1,925,157)
Basic and diluted earnings (loss) per share	(124)

	As at March 31, 2020
	$
Cash	3,051,566
Total assets	3,063,693
Total current liabilities	79,042
Long term liabilities	nil

RESULTS OF OPERATIONS

During the period ended March 31, 2020, the Company incurred a net and comprehensive loss of $1,925,157. The net and comprehensive loss for the period consists primarily of stock-based compensation of $1,877,093. Other costs incurred during the period include Legal of $18,167 and accounting of $10,000.

Liquidity

The Company had cash of $3,051,566 and a working capital balance of $2,984,651 as at March 31, 2020.

SHARE CAPITAL

Authorized share capital
Unlimited number of common and preferred shares without par value.

As at March 31, 2020 and the date of this MD&A the Company had 6,774,539 common shares outstanding.

Share capital issuances

Period from September 9, 2019 (date of incorporation) to March 31, 2020:

On September 9, 2019, the Company issued 10,001 common shares for gross proceeds of $10.

On October 15, 2019, the Company issued 5,000 common shares for gross proceeds of $5.

On December 7, 2019, the Company issued 1,322 common shares for gross proceeds of $396,600.

On February 28, 2020, the Company issued 782 common shares for gross proceeds of $391,000.

On March 11, 2020, the Company issued 2,667 common shares for gross proceeds of $800,100. These shares were issued with a discount of $300 per share in comparison with the private placements completed during March 2020, at the price of $500 per share. As result, the Company recognized $533,400 as stock-based compensation in the Statement of Loss and Comprehensive Loss for the period ended March 31, 2020. The Company recorded a subscription receivable of $250,000, which was received subsequent to period end.

On March 12, 2020, the Company issued 2,110 common shares for gross proceeds of $1,055,000.

On March 16, 2020, the Company issued 470 common shares for gross proceeds of $235,000

On March 20, 2020, the Company issued 740 common shares for gross proceeds of $370,000. The Company recorded a subscription receivable of $25,000, which was received subsequent to period end. The Company recorded an obligation to issue shares in the amount of $60,000 for shares issued subsequent to period end for cash which was received before March 31, 2020.

Outstanding warrants

As at March 31, 2020 the Company had 5,050 warrants outstanding.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2020, the Company had no off-balance-sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period ended March 31, 2020, the Company issued 400 warrants with fair value of $120,000 to the CFO and director of the Company in consideration of services granted to the Company.

During the period ended March 31, 2020, the Company issued 50 warrants with fair value of $15,000 to a director of the Company in consideration of services granted to the Company.

COMMITMENTS

None

CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares.

RISKS AND UNCERTAINTIES

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and accounts payable and accrued liabilities, convertible debenture and loan payable as other financial liabilities.

The fair value of accounts payable and accrued liabilities and loan payable approximate their carrying value due to the short-term nature of these liabilities.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 7 – Financial Instruments – Disclosures.

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in

bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of March 31, 2020, the Company had working capital of $2,121,821 to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020, the Company did not have any financial instruments subject to interest rate risk. Capital management The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The Company has not early-adopted this standard. Since the Company has no leases, there was no material impact on the Company's financial statements upon adoption of this standard.

Business Combinations

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. The excess of the aggregate

consideration paid over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

RISK FACTORS

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful develop its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Limited Operating History

The Company has no consumer products or services producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from its products in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve profitable sales from the Company's existing and future products. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that

COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Failure to Meet Business Objectives

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, or statements, whether because of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of common shares.

Identification and Development of New Products and Services

The Company's success will depend, in part, on its ability to identify, develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Government Regulation

The processing, manufacturing, packaging, labelling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

General Healthcare Regulation Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Conflicts of Interest

All of the Company's Directors and officers act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the

Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Commercialization

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced pre-clinical trials we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Unsatisfactory results relating to a research and development program may cause us or our collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favourable results. Many companies in the biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in earlystage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical, and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our programs, the development timeline and regulatory approval and commercialization prospects for our leading product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

Clinical Trial Failure Risk

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict results. Several companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Research Delays

We cannot predict whether any clinical trials will begin as planned or will be completed on schedule, or at all. Significant clinical trial delays could allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; patients failing to enroll or remain in our trials at the rate we expect; product candidates demonstrating a lack of safety or efficacy during clinical trials; patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns; competing clinical trials and scheduling conflicts with participating clinicians; clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; inspections of clinical trial sites by regulatory bodies or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; one or more regulatory bodies or ethics committees rejecting, suspending, or terminating the study at an investigational site, precluding enrolment of additional subjects, or withdrawing its approval of the trial; or failure to reach agreement on acceptable terms with prospective clinical trial sites.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

Regulatory Approval Risks

The development and commercialization activities and product candidates are significantly regulated by several governmental entities, including the FDA, Health Canada, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the

necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labelling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit, or prevent regulatory approval. Even if we believe results from our clinical trials are favourable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

Risks Related to Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary

SUBSEQUENT EVENTS

On April 3, 2020, the Company issued 4,000 common shares pursuant to warrant exercises for gross proceeds of $4.

On April 6, 2020, the Company issued 290 common shares for gross proceeds of $145,000.

On April 9, 2020, the Company entered into an Amalgamation Agreement ("Amalgamation Agreement") with Champignon Brands Inc. ("Champignon") and 1246882 BC Ltd. Under the term of the agreement, Champignon will acquire 100% of the issued and outstanding shares of the Company for a total consideration of 2,000 Champignon common share for every 1 share of the Company. All of the Company's warrants outstanding will be cancelled and the Company's warrant holders will receive Champignon replacement warrants in exchange.

On April 10, 2020, the Company entered into a Share Purchase Agreement ("Share Purchase Agreement") with Canadian Rapid Treatment Center of Excellence Inc. ("CRTCE") (amended April 29, 2020). Pursuant to the terms of the Share Purchase Agreement, the Company paid $1,500,000 cash consideration and issued 10,455 common shares.

On May 15, 2020, the Company entered into an Independent Contractor Agreement with 576139 Ontario Inc. ("Consultant). Pursuant to the terms of the Independent Contractor Agreement, the Company will pay the Consultant $15,000 per month for services provided. Following June 11, 2020, the Company will cause Champignon to issue to the Consultant, 250,000 common shares of Champignon. The Independent Contractor Agreement is for term of two years commencing on on May 15, 2020 and expiring on May 15, 2022.

On May 26, 2020, the Company entered into an Independent Contractor Agreement with a consultant. Pursuant to the terms of the Independent Contractor Agreement, the Company will pay $5,000 per month for the Consultant's service beginning June 1, 2020 and ending on June 1, 2021. On September 1, 2020, the Company will re-evaluate the fee paid to this consultant. This agreement will expire on June 1, 2021

APPROVAL

The directors of the Company have approved the disclosures in this MD&A

SCHEDULE “E”

CRTCE FINANCIAL STATEMENTS

(See attached)

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

FINANCIAL STATEMENTS

NOVEMBER 30, 2019

Chartered Professional Accountants & Consultants

JONATHAN LEUNG
CPA Professional Corporation

255 Duncan Mill Road, Suite 303
Toronto, Ontario M3B 3H9
Tel: [416] 510-8333
Fax: [416] 510-8336
Email: LLCompany@bellnet.ca

INDEPENDENT AUDITORS' REPORT

To the shareholders of Canadian Rapid Treatment Center of Excellence Inc.:

Opinion

We have audited the accompanying financial statements of Canadian Rapid Treatment Center of Excellence Inc. (the Company), which comprise the balance sheet as at November 30, 2019 and the statements of loss, deficit and cash flows for the year then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Without modifying our opinion, we draw attention to Note 10 to the financial statements which describes that the company adopted IFRS with a transition date of December 14, 2017 (incorporation date). The IFRS was applied retrospectively by management to the comparative information in these financial statements, including the balance sheet as at November 30, 2018, and the statements of loss and cash flows for the period from December 14, 2017 (incorporation date) to November 30, 2018 and related disclosures. We are not engaged to report on the restated comparative information, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern

and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

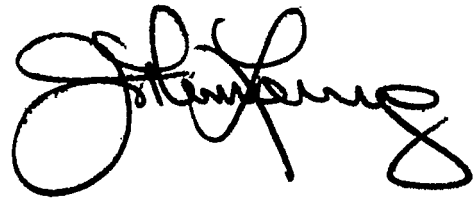
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Toronto, Ontario
July 31, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

BALANCE SHEET
AS AT NOVEMBER 30, 2019

ASSETS

	2019 $	2018 $ (Note 10)
CURRENT		
Cash	40,190	65,120
Accounts receivable	-	925
Prepaid expenses	2,523	-
Loans to shareholders (Note 3)	7,354	-
	50,067	66,045

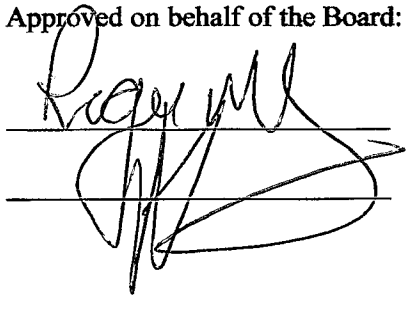
LIABILITIES

CURRENT		
Accounts payable	47,361	45,559
Government remittances payable	1,047	-
Deferred revenue (Note 4)	22,500	16,500
	70,908	62,059
ADVANCES FROM SHAREHOLDERS (Note 5)	-	19,900
	70,908	81,959

SHARE CAPITAL AND DEFICIT

SHARE CAPITAL (Note 6)	100	100
DEFICIT	(20,941)	(16,014)
	(20,841)	(15,914)
	50,067	66,045

Approved on behalf of the Board:



CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

STATEMENT OF LOSS AND DEFICIT
FOR THE YEAR ENDED NOVEMBER 30, 2019

	2019 $	2018 $ (Note 10)
SALES	789,125	174,698
COST OF SALES		
Medical services – anesthesiologists and nurses	353,554	79,450
Drugs and medical supplies	214,170	48,748
	567,724	128,198
	221,401	46,500
OPERATING AND ADMINISTRATIVE EXPENSES		
Salaries	138,709	19,200
Credit card fees	26,660	3,584
Consulting fees	22,060	8,656
Office and general	13,063	1,647
Management fees	11,924	4,800
Professional fees	5,896	13,707
Meals and entertainment	3,025	-
Computer services and supplies	1,934	-
Insurance	1,801	3,857
Bad debt	1,054	-
Website development & hosting	202	7,063
	226,328	62,514
NET LOSS FOR THE YEAR	(4,927)	(16,014)
Deficit, beginning of year	(16,014)	-
DEFICIT, END OF YEAR	(20,941)	(16,014)

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2019

	2019 $	2018 $ (Note 10)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss for the year	(4,927)	(16,014)
Net decrease in non-cash working capital items	7,251	61,134
	2,324	45,120
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	100
Increase in loans to shareholders	(7,354)	-
(Decrease) increase in advances from shareholders	(19,900)	19,900
	(27,254)	20,000
(DECREASE) INCREASE IN CASH BALANCE	(24,930)	65,120
Cash balance, beginning of year	65,120	-
CASH BALANCE, END OF YEAR	40,190	65,120

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2019

1. DESCRIPTION OF BUSINESS

Canadian Rapid Treatment Center of Excellence Inc. (CRTCE) is incorporated under the Ontario Business Corporations Act. CRTCE is licensed by the College of Physicians and Surgeons of Ontario to operate a ketamine medical clinic and is the only clinic in Canada approved to perform psilocybin doses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and include the following accounting policies:

a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

b) Revenue Recognition

Revenues are recognized when received or receivable upon rendering of goods and services, provided that the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Future Income Taxes

The Company uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs.

d) Measurement of Financial Instruments

The Company initially measures its financial assets and liabilities at fair value. Subsequently, they are measured at amortized cost and any changes in fair value are recognized as income.

Financial assets measured at amortized cost include cash, accounts receivable, prepaid expenses and loan receivable.

Financial liabilities measured at amortized cost include accounts payable, government remittances payable and deferred revenue.

3. LOANS TO SHAREHOLDERS

Loans to shareholders consist of short term interest free loans to shareholders. The amounts were repaid in full subsequent to the year end.

4. DEFERRED REVENUE

Deferred revenue represents amounts received from patients for ketamine treatment services not yet rendered on year end date.

5. ADVANCES FROM SHAREHOLDERS

Advances from shareholders are interest free with no fixed terms of repayment.

6. SHARE CAPITAL

	2019 $	2018 $
Issued: 100 Common shares	100	100

7. FINANCIAL INSTRUMENTS

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of its risk exposure on November 30, 2019:

a) Credit Risk

Credit risk arises from the potential that a counter party will fail to discharge its financial obligation. The Company's main credit risk relates to its cash. To reduce credit risk, cash is only held at major financial institutions.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty to meet its financial obligations as they come due in the normal course of business. The Company is exposed to this risk mainly in respect of its accounts payable. It manages this risk by monitoring its operating requirement to ensure financial resources are available.

8. RELATED PARTY TRANSACTIONS

During the year, the Company purchased from one of its shareholders, KJK Medical Clinic Inc. (KJK), $186,040 of medical ketamine at the exchange amount (2018 - $47,040). As at November 30, 2019, $8,820 was owing to KJK (2018 - $1,708).

9. SUBSEQUENT EVENT

On April 30, 2020, the company was acquired by AltMed Capital Corp., a Canadian Ketamine Clinic operator.

10. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company has adopted IFRS effective December 1, 2018. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires first-time adopters to apply all effective IFRS standards retrospectively as if IFRS had been in effect from the date of the Company's inception. The Company was incorporated on December 14, 2017 (date of inception), with its first fiscal year ended on November 30, 2018. To comply with IFRS, the 2018 comparative information has been adjusted from amounts previously reported in the Company's unaudited financial statements.

An explanation of how the transition from the previous unaudited financial statements to IFRS has affected the Company's balance sheet and income statement is set out in the table and notes below.

Balance Sheet As At November 30, 2018	**Note**	**Pre-Changeover**	**Adjustments**	**In Accordance With IFRS**
Assets				
Current				
Cash		65,120	-	65,120
Accounts Receivable		925	-	925
Prepaid Expenses	A	4,708	(4,708)	-
Loan Receivable		-	-	-
Total Assets		70,753	(4,708)	66,045
Liabilities				
Current				
Accounts Payable	B	51,050	(5,491)	45,559
Government Remittances Payable		-	-	-
Deferred Revenue	B	-	16,500	16,500
Advances from Shareholders		19,900	-	19,900
Total Liabilities		70,950	11,009	81,959
Share Capital and Deficit				
Share Capital		100	-	100
Deficit		(297)	(15,717)	(16,014)
Total Share Capital and Deficit		(197)	(15,717)	(15,914)

10. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (cont'd)

Income Statement For The Year Ended November 30, 2018	**Note**	**Pre-Changeover**	**Adjustments**	**In Accordance With IFRS**
Sales	B	191,198	(16,500)	174,698
Cost Of Sales	B	133,690	(5,492)	128,198
Gross Profit		57,508	(11,008)	46,500
Operating and Administrative Expenses	B	57,805	4,709	62,514
Net Loss for the Period		(297)	(15,717)	(16,014)

Explanation & Notes for adjustments:

A – Prepaid Expenses

Pre-changeover, CRTCE had incurred a $7,063 website development cost in 2018. This amount was set up as a prepaid expense and amortized over the expected useful life of the website (3 years). Under IFRS, website development costs (primarily used for advertising and promotional purposes) does not meet the criteria of an intangible asset. As such, they are being expensed in the period incurred.

B – Adjustment to Accrual Basis

Under IFRS, accrued basis must be used to record all transactions. Amounts were adjusted to reflect proper cut-off.

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

FINANCIAL STATEMENTS

FEBRUARY 29, 2020
(Unaudited)

Chartered
Professional
Accountants
& Consultants

JONATHAN
LEUNG
CPA Professional Corporation

255 Duncan Mill Road, Suite 303
Toronto, Ontario M3B 3H9
Tel: [416] 510-8333
Fax: [416] 510-8336
Email: LLCompany@bellnet.ca

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Canadian Rapid Treatment Center of Excellence Inc.:

We have reviewed the accompanying financial statements of Canadian Rapid Treatment Center of Excellence Inc. that comprise the balance sheet as at February 29, 2020 and the statements of loss, deficit and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with Canadian generally accepted standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' Responsibility

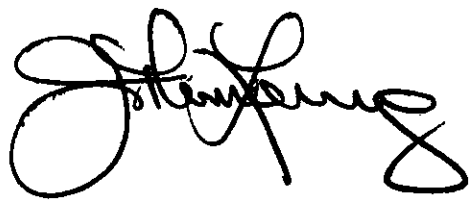
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Canadian Rapid Treatment Center of Excellence Inc. as at February 29, 2020, and the results of its operations and its cash flows for the quarter then ended in accordance with International Financial Reporting Standards.



Toronto, Ontario
January 12, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

BALANCE SHEET
AS AT FEBRUARY 29, 2020
(Unaudited)

ASSETS

	February 29, 2020	November 30, 2019
	$	$
CURRENT		
Cash	29,722	40,190
Prepaid expenses	1,445	2,523
Loans to shareholders (Note 3)	7,354	7,354
	38,521	50,067

LIABILITIES

CURRENT		
Accounts payable	49,598	47,361
Government remittances payable	1,047	1,047
Deferred revenue (Note 4)	16,500	22,500
	67,145	70,908

SHARE CAPITAL AND DEFICIT

SHARE CAPITAL (Note 5)	100	100
DEFICIT	(28,724)	(20,941)
	(28,624)	(20,841)
	38,521	50,067

Approved on behalf of the Board:

_____

_____

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

STATEMENT OF RETAINED EARNINGS (DEFICIT)
FROM DECEMBER 1, 2019 TO FEBRUARY 29, 2020
(Unaudited)

	Quarter ended February 29, 2020	Quarter ended February 28, 2019
	$	$
DEFICIT, BEGINNING OF PERIOD	(20,941)	(16,014)
Net income (loss) for the period	(7,783)	26,485
RETAINED EARNINGS (DEFICIT), END OF PERIOD	(28,724)	10,471

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

STATEMENT OF INCOME (LOSS)
FROM DECEMBER 1, 2019 TO FEBRUARY 29, 2020
(Unaudited)

	Quarter ended February 29, 2020	Quarter ended February 28, 2019
	$	$
SALES	221,000	128,429
COST OF SALES		
Medical services – anesthesiologist and nurses	107,863	64,250
Drugs and medical supplies	41,100	30,324
	148,963	94,574
	72,037	33,855
OPERATING AND ADMINISTRATIVE EXPENSES		
Research	19,833	-
Salaries	18,639	-
Credit card fees	10,029	2,623
Consulting fees	8,440	2,500
Office administration	6,488	-
License and Membership	4,175	-
Meals and entertainment	3,503	-
Rent	3,390	-
Office and general	2,563	2,147
Professional fees	1,217	100
Insurance	1,078	-
Advertising and promotion	465	-
	79,820	7,370
NET INCOME (LOSS) FOR THE PERIOD	(7,783)	26,485

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

STATEMENT OF CASH FLOWS
FROM DECEMBER 1, 2019 TO FEBRUARY 29, 2020
(Unaudited)

	Quarter ended February 29, 2020	Quarter ended February 28, 2019
	$	$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net (loss) income for the period	(7,783)	26,485
Net (increase) decrease in non-cash working capital items	(2,685)	2,857
INCREASE (DECREASE) IN CASH BALANCE	(10,468)	29,342
Cash balance, beginning of period	40,190	65,120
CASH BALANCE, END OF PERIOD	29,722	94,462

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020
(Unaudited)

1. DESCRIPTION OF BUSINESS

Canadian Rapid Treatment Center of Excellence Inc. (CRTCE) is incorporated under the Ontario Business Corporations Act. CRTCE is licensed by the College of Physicians and Surgeons of Ontario to operate a ketamine medical clinic and is the only clinic in Canada approved to perform psilocybin doses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted standards (IFRS) and include the following accounting policies:

a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

b) Revenue Recognition

Revenues are recognized when received or receivable upon rendering of goods and services, provided that the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Future Income Taxes

The Company uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs.

d) Measurement of Financial Instruments

The Company initially measures its financial assets and liabilities at fair value. Subsequently, they are measured at amortized cost and any changes in fair value are recognized as income.

Financial assets measured at amortized cost include cash, prepaid expenses and loan receivable.

Financial liabilities measured at amortized cost include accounts payable, government remittances payable and deferred revenue.

3. LOANS TO SHAREHOLDERS

Loans to shareholders consist of short-term interest free loans to shareholders. The amounts were repaid in full on April 1, 2020.

4. DEFERRED REVENUE

Deferred revenue represents amounts received from patients for ketamine treatment services not yet rendered on period end date.

5. SHARE CAPITAL

	2020 $	2019 $
Issued: 100 Common shares	100	100

6. FINANCIAL INSTRUMENTS

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of its risk exposure on February 29, 2020:

a) Credit Risk

Credit risk arises from the potential that a counter party will fail to discharge its financial obligation. The Company's main credit risk relates to its cash. To reduce credit risk, cash is only held at major financial institutions.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty to meet its financial obligations as they come due in the normal course of business. The Company is exposed to this risk mainly in respect of its accounts payable. It manages this risk by monitoring its operating requirement to ensure financial resources are available.

7. RELATED PARTY TRANSACTIONS

During this quarter, the Company purchased from one of its shareholders, KJK Medical Clinic Inc. (KJK), $40,140 of medical ketamine at the exchange amount (quarter ended February 28, 2019 - $30,324). As at February 29, 2020, $2,520 was owing to KJK (February 28, 2019 - $2,520).

8. SUBSEQUENT EVENT

On April 29, 2020, the Company was acquired by AltMed Capital Corp., a Canadian Ketamine Clinic operator.

SCHEDULE “F”

CRTCE MD&A

(See attached)

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

For the Year Ended to November 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended November 30, 2019

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and notes thereto for the year ended November 30, 2019 of the Canadian Rapid Treatment Center of Excellence Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of February 10, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

DESCRIPTION OF BUSINESS

The Company was incorporated on December 14, 2017, under the laws of the province of Ontario, Canada. The Company is licensed (2018) by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (Out of Hospital Premise Program) to administer ketamine treatments for indications including but not limited to depression, bipolar disorder, post-traumatic stress disorder (PTSD) and obsessive-compulsive disorder (OCD).

The Company is a vertically integrated rapid onset treatment centre operating from proof-of-concept to human clinical trials and publication, with study results in peer-reviewed journals by the world's leading experts in psychopharmacology. The Company also serves as a rapid onset treatment training and

education center for medical professionals and is equipped with a co-located pharmacy. The clinic has been licensed by Health Canada to dose eligible patients with psilocybin and is the only clinic in Canada to perform psilocybin doses under Health Canada approval.

OVERALL PERFORMANCE

Highlights

For the year ended November 30, 2019 the Company completed just over 1,000 ketamine infusion treatments.

Subsequent Event Highlights

On April 30, 2020, the Company was acquired by AltMed Capital Corp. ("AltMed"). AltMed is a psychedelics medicine IP aggregator and novel drug discoverer. Subsequently, AltMed was acquired by Champignon Brands Corp. ("Champignon"). Champignon is a research-driven company specializing in the formulation of a suite of medicinal mushrooms health products as well as novel ketamine, anaesthetics and adaptogenic delivery platforms for the nutritional, wellness and alternative medicine industries. Champignon is a publicly listed company trading on the CSE under the symbol SHRM.

SELECTED ANNUAL INFORMATION

	Year ended November 30, 2019 (audited)	Period December 14, 2017 to November 30, 2018 (unaudited)
	$	$
Revenue	789,125	174,698
Cost of sales	567,724	128,198
Operating expenses	226,328	62,514
Net Income (loss)	(4,927)	(16,014)
Basic and diluted earnings (loss) per share	(49)	(160)

	As at November 30, 2019	As at November 30, 2018
	$	$
Cash	40,190	65,120
Total assets	50,067	66,045
Total current liabilities	70,908	62,059
Long term liabilities	nil	nil

RESULTS OF OPERATIONS

During the year ended November 30, 2019, the Company incurred a net and comprehensive loss of $4,927 (2018: $16,014). The Company recorded revenue for the year ended of $789,125 (2018: $174,698) and a gross margin of $221,401 (2018: $46,500). Increased revenue and gross margin were the result of increased ketamine infusions performed in fiscal 2019. The increase in operating expenses for the year ended November 30, 2019 to $226,328 (2108: $62,514) was primarily the result of increased salaries of $138,709 (2018: $19,200), credit card fees $26,660 (2018: $3,584), consulting fees of $22,060 (2018: $8,656) and office and general of $13,063 (2018: $1,647).

Liquidity

The Company had cash of $40,190 (2018: $65,120) and a negative working capital balance of $20,841 (2018: positive $3,986) as at November 30, 2019.

SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

As at November 30, 2019 the Company had 100 common shares outstanding.

Outstanding options and warrants

The Company had no options or warrants outstanding at November 30, 2019

OFF BALANCE SHEET ARRANGEMENTS

As at November 30, 2019, the Company had no off-balance-sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended November 30, 2019, the Company purchased from a company controlled by one of its shareholders, $186,040 (2018: $47,040) of medical supplies. As at November 30, 2019, $8,820 (2018: $1,709) was owing to the same company.

The Loans to shareholders consist of short-term interest free loan to a shareholder of the Company. The amount was repaid in full subsequent to November 30, 2019.

COMMITMENTS

None

CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares.

RISKS AND UNCERTAINTIES

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and accounts payable and accrued liabilities, convertible debenture and loan payable as other financial liabilities.

The fair value of accounts payable and accrued liabilities and loan payable approximate their carrying value due to the short-term nature of these liabilities.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 7 – Financial Instruments – Disclosures.

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to funding. Liquidity risk is assessed as moderate.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2019, the Company did not have any

financial instruments subject to interest rate risk. Capital management The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

See notes 2 and 10 of the Copmpany's November 30, 2019 audited financial statements.

RISK FACTORS

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Identification and Development of New Products and Services

The Company's success will depend, in part, on its ability to identify, develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Government Regulation

General Healthcare Regulation Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Conflicts of Interest

All of the Company's Directors and officers act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

SUBSEQUENT EVENTS

On April 30, 2020, the Company was acquired by AltMed. AltMed is a psychedelics medicine IP aggregator and novel drug discoverer company. Subsequently, AltMed was acquired by Champignon Brands Corp. ("Champignon"). Champignon is a research-driven company specializing in the formulation of a suite of medicinal mushrooms health products as well as novel ketamine, anaesthetics and adaptogenic delivery platforms for the nutritional, wellness and alternative medicine industries. Champignon is a publicly listed company trading on the CSE under the symbol SHRM.

APPROVAL

The directors of the Company have approved the disclosures in this MD&A.

CANADIAN RAPID TREATMENT CENTER OF EXCELLENCE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

For the Three Months Ended to February 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three Months Ended February 29, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and notes thereto for the three months ended February 29, 2020 of the Canadian Rapid Treatment Center of Excellence Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of January 12, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

DESCRIPTION OF BUSINESS

The Company was incorporated on December 14, 2017, under the laws of the province of Ontario, Canada. The Company is licensed (2018) by the College of Physicians and Surgeons Ontario (CPSO) under OHPP (Out of Hospital Premise Program) to administer ketamine treatments for indications including but not limited to depression, bipolar disorder, post-traumatic stress disorder (PTSD) and obsessive-compulsive disorder (OCD).

The Company is a vertically integrated rapid onset treatment centre operating from proof-of-concept to human clinical trials and publication, with study results in peer-reviewed journals by the world's leading experts in psychopharmacology. The Company also serves as a rapid onset treatment training and

education center for medical professionals and is equipped with a co-located pharmacy. The clinic has been licensed by Health Canada to dose eligible patients with psilocybin and is the only clinic in Canada to perform psilocybin doses under Health Canada approval.

OVERALL PERFORMANCE

Highlights

For the year ended November 30, 2019 the Company completed just over 1,000 ketamine infusion treatments.

For the three months ended February 29, 2020 the Company completed approximately 300 ketamine infusion treatments.

Subsequent Event Highlights

On April 30, 2020, the Company was acquired by AltMed Capital Corp. ("AltMed"). AltMed is a psychedelics medicine IP aggregator and novel drug discoverer. Subsequently, AltMed was acquired by Champignon Brands Corp. ("Champignon"). Champignon is a research-driven company specializing in the formulation of a suite of medicinal mushrooms health products as well as novel ketamine, anaesthetics and adaptogenic delivery platforms for the nutritional, wellness and alternative medicine industries. Champignon is a publicly listed company trading on the CSE under the symbol SHRM.

SELECTED ANNUAL INFORMATION

	Year ended November 30, 2019 (audited)	Period December 14, 2017 to November 30, 2018 (unaudited)
	$	$
Revenue	789,125	174,698
Cost of sales	567,724	128,198
Operating expenses	226,328	62,514
Net Income (loss)	(4,927)	(16,014)
Basic and diluted earnings (loss) per share	(49)	(160)

	As at November 30, 2019	As at November 30, 2018
	$	$
Cash	40,190	65,120
Total assets	50,067	66,045
Total current liabilities	70,908	62,059
Long term liabilities	nil	nil

SELECTED QUARTERLY INFORMATION

	Three Month Period ended February 29, 2020	Three Month Period ended February 28, 2019
	$	$
Revenue	221,000	128,429
Cost of sales	148,963	94,574
Operating expenses	79,820	7,370
Net Income (loss)	(7,783)	26,485
Basic and diluted earnings (loss) per share	(78)	265

	As at February 29, 2020	As at November 30, 2019
	$	$
Cash	29,722	40,190
Total assets	38,521	50,067
Total current liabilities	67,145	70,908
Long term liabilities	nil	nil

RESULTS OF OPERATIONS

During the quarter ended February 29, 2020, the Company incurred a net and comprehensive loss of $7,783 (2019: Income of $26,485). The Company recorded revenue for the quarter ended of $221,000 (2019: $128,429) and a gross margin of $72,037 (2019: $33,855). Increased revenue and gross margin were the result of increased ketamine infusions performed in the first quarter of fiscal 2020. The increase in operating expenses for the quarter ended February 29, 2020 to $79,820 (2109: $7,370) was primarily the result of increased salaries of $18,639 (2019: $nil), research $19,833 (2019: $nil), credit card fees of $10,029 (2019: $2,623), consulting fees of $8,440 (2019: $2,500) and office and general of $6,488 (2019: $nil).

Liquidity

The Company had cash of $29,722 (Nov. 30, 2019: $40,190) and a negative working capital balance of $28,624 (Nov. 30, 2019: $20,841) as at February 29, 2020.

SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

As at February 29, 2020, the Company had 100 common shares outstanding.

Outstanding options and warrants

The Company had no options or warrants outstanding at February 29, 2020

OFF BALANCE SHEET ARRANGEMENTS

As at February 29, 2020, the Company had no off-balance-sheet arrangements.

RELATED PARTY TRANSACTIONS

During the quarter year ended February 29, 2020, the Company purchased from a company controlled by one of its shareholders, $40,140 (2019: $30,324) of medical supplies. As at February 29, 2020, $2,520 (Nov. 30, 2019: $8,820) was owing to the same company.

The Loans to shareholders consist of short-term interest free loan to a shareholder of the Company. The amount was repaid in full subsequent to February 29, 2020.

COMMITMENTS

None

CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares.

RISKS AND UNCERTAINTIES

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and accounts payable and accrued liabilities, convertible debenture and loan payable as other financial liabilities.

The fair value of accounts payable and accrued liabilities and loan payable approximate their carrying value due to the short-term nature of these liabilities.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 7 – Financial Instruments – Disclosures.

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices, included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to funding. Liquidity risk is assessed as moderate.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2019, the Company did not have any financial instruments subject to interest rate risk. Capital management The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

New Significant Accounting Policies

See notes 2 and 10 of the Company's November 30, 2019 audited financial statements.

RISK FACTORS

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While

these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. As at the date of this MD&A, the CRTCE facility is still operational but at a reduced capacity as a result of the COVID-19 outbreak and there is no assurance as to when it will be able to operate at full capacity, our retail distribution expansion initiatives have been postponed indefinitely. Such public health crises can result in volatility and disruptions in the supply and demand for health and wellness products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Identification and Development of New Products and Services

The Company's success will depend, in part, on its ability to identify, develop, introduce and market new and innovative products and services. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products and services or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Government Regulation

General Healthcare Regulation Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, and results of operations of these business units. In addition, the Company could incur significant costs while complying with any changes in the regulatory regime. Noncompliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among

other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do.

Conflicts of Interest

All of the Company's Directors and officers act as directors and/or officers of other health and wellness companies. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in our business and result in lower revenues. As we expand our operations, we may encounter difficulty in securing the necessary professional medical and skilled support staff to support our expanding operations. There is currently a shortage of certain medical physicians in Canada and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

Confidentiality of Personal and Health Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

Psychedelic Regulatory Risk

Psychedelic therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed.

SUBSEQUENT EVENTS

On April 30, 2020, the Company was acquired by AltMed. AltMed is a psychedelics medicine IP aggregator and novel drug discoverer company. Subsequently, AltMed was acquired by Champignon Brands Corp. ("Champignon"). Champignon is a research-driven company specializing in the formulation of a suite of medicinal mushrooms health products as well as novel ketamine, anaesthetics and adaptogenic delivery platforms for the nutritional, wellness and alternative medicine industries. Champignon is a publicly listed company trading on the CSE under the symbol SHRM.

APPROVAL

The directors of the Company have approved the disclosures in this MD&A.

SCHEDULE "G"

AUDIT COMMITTEE CHARTER OF CHAMPIGNON

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Champignon Brands Inc. (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be

appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

(a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

(b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

(c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

C. <u>Limitation of Audit Committee's Role</u>

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.