

Champignon Brands Inc.

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Champignon Brands inks blockbuster deal to roll out network of psychedelic medicine clinics in North America

Champignon Brands Inc (CSE:SHRM) (OTCMKTS:SHRMF) announced a transformative acquisition that will position the company as a leader in the burgeoning psychedelics space.

The Vancouver-based company announced its plans to acquire ketamine clinic operator AltMed Capital Corp in an all-share deal that will see the two companies launch a network of subspecialty therapeutic clinics across the US.

The deal also gives Champignon a suite of intellectual property and research and development initiatives boosted by AltMed's founder and CEO Dr Roger McIntyre, a widely recognized expert in the study and treatment of mood disorders.

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AltMed owns 75% of the Canadian Rapid Treatment Centre of Excellence (CRTCE), a fully operational ketamine clinic in Mississauga, Ontario and the only clinic in the country approved by Health Canada to perform psilocybin doses.

AltMed's portfolio of assets will enable Champignon to reach the consumer directly via rapid onset medical treatments, the firm said in a release.

Champignon is planning to roll out five unique ketamine clinics across Florida, California and the US Eastern Seaboard. Additional ketamine clinics are projected to be fully operational by the fourth quarter of 2020, the company told shareholders.

The CRTCE plans to expand its clinical footprint by establishing new clinics for ketamine, psilocybin and MDMA, as well as pursue partnerships with the broader pharmaceutical industry.

Unmatched R&D

"Founded and operated by Dr McIntyre, the CRTCE has the human capital and unmatched R&D capabilities, with respect to rapid onset treatments such as ketamine, to revolutionize the treatment of depression, PTSD and substance use disorders," Champignon CEO Gareth Birdsall said in a statement.

The transaction gives Champignon three trials in the Phase I stage and three trials in the preclinical stage during 2020, as well as seven patents for its ketamine/psilocybin delivery platforms and formulations. AltMed also has a preferred commercial relationship with InterVivo Solutions, Canada's largest neuroscience-focused preclinical contract research organization, to collaborate on Phase I testing and novel drug development of psychedelic molecules and delivery systems.

Price: 0.89

Market Cap: \$70.54 m

1 Year Share Price Graph



March 2020 April 2020 June 2020

Share Information

Code: SHRM

Listing: CSE

52 week High Low
2.4 0.18

Sector: Health

Website: champignonbrands.com

Company Synopsis:

Champignon Brands Inc. (CSE: SHRM) is a human optimization sciences company focused on applying novel and natural treatment protocols to address a broad range of disorders and deficiencies with an emphasis on psychedelic medicine.

action@proactiveinvestors.com

AltMed's board of directors is led by Pat McCutcheon, founder of leading medical cannabis firm MediPharm Labs Corp (TSE:LABS).

"Together with Champignon's existing novel ketamine delivery platforms, associated patents/IP and now advanced clinical infrastructure, we will look to deliver approved, point-of-care psychedelic treatments in clinics throughout Canada and the United States," McCutcheon said in a statement.

"Ketamine, psilocybin and MDMA have all been fast-tracked by the FDA and Health Canada with respect to R&D in DPS, and we will look to monetize our capabilities and human capital within this domain."

Deal terms

Under the terms of the all-share deal, Champignon will acquire 100% of AltMed's 55,124,000 shares. Of those, around 16.5 million are subject to applicable hold periods under securities legislation and nearly 38.6 million will be subject to voluntary resale restrictions and released in five equal tranches every three months, with the first release commencing thirty days following closing.

Another 3,391,500 warrants will be issued in exchange for the cancellation of outstanding exercised AltMed share purchase warrants.

The deal remains subject to AltMed shareholder approval.

Contact Angela at angela@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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