

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **CHAMPIGNON BRANDS INC.** (the "Issuer").

Trading Symbol: **SHRM**

Number of Outstanding Listed Securities: **159,522,712 Common Shares**

Date: **June 4, 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Champignon Brands Inc. 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. Via its vertically integrated alternative medicine product range, Champignon is pursuing the development and commercialization of rapid onset treatments capable of improving health outcomes, such as depression and post-traumatic stress disorder (PTSD), as well as substance and alcohol use disorders. Under a collaborative research agreement with the University of Miami's Miller School of Medicine, the Company is conducting pre-clinical 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 stand-alone PTSD. Champignon continues to be inspired by sustainability, as its medicinal mushroom-infused SKUs are organic, non-GMO and vegan certified. For more information, visit the Company's website at: <https://champignonbrands.com/>.

2. Provide a general overview and discussion of the activities of management.

Management's activities in the month were focused on completing its proposed brokered private placement.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No new products or services were discontinued in the month.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Company received two separate bulk purchase orders of totaling \$100,000 for vitality teas. The orders have been fulfilled and were final sales.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

Not Applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

11. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes affecting the Issuer.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer is not a party to any legal proceedings.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

Date	Shares	Warrants	Options	Notes
May 4, 2020	15,000			Warrant Exercise
May 11, 2020			3,750,000	Stock Option Grant
May 13, 2020	90,317			Warrant Exercise
May 14, 2020	22,483			Warrant Exercise
May 26, 2020	3,864			Warrant Exercise
May 26, 2020	300,000			Warrant Exercise

15. Provide details of any loans to or by Related Persons.

The Issuer does not have any loans to or by Related Persons.

16. Provide details of any changes in directors, officers or committee members.

**Roger McIntyre was appointed as CEO
 Matthew Fish was appointed President and Secretary
 Pat McCutcheon was appointed as a Director
 Bill Wilkerson was appointed as a Director
 Gareth Birdsall resigned from CEO, President and Secretary
 Joe Perino resigned as a Director.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

As a result of the COVID-19 novel coronavirus, including quarantine initiatives of the federal and provincial governments and trade and travel restrictions, the Company has experienced some delays to its planned retail initiatives and has temporarily shifted its focus to research and development in the interim. The following activities are suspended by the Company but expected to resume as soon as practicable once applicable restrictions are lifted (unless otherwise disclosed below):

- **Placement of products at wellness centers and with brick and mortar retail locations, including a multi-location pharmacy in British Columbia to sell its vitality super teas.**
- **Construction of the pop-up shop.**
- **The Company was in the process of booking trade shows, conferences, farmers markets and special events but all have been cancelled or are expected to be delayed indefinitely.**
- **Plans to distribute the products via Amazon.**
- **Consumer product testing and focus groups.**
- **Conversion of two new recipes developed by DRIP Coffee Social into consumer products.**
- **Hiring of business development managers and social media influences has not commenced as the Company expects a surplus of available candidates as a result of layoffs.**

- **Disruptions to commencement cultivation and R&D activities or mushrooms at Kelowna facility. Risk of potential loss of spores planned to be grown for premium tea line.**

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 report, 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.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 4, 2020

Matthew Fish

“Matthew Fish”

Signature

President
Official Capacity

Name of Issuer CHAMPIGNON BRANDS INC.	For Month End May	Date of Report YY/MM/DD 20/06/04
Issuer Address Suite 2300 - 1177 West Hastings Street		
City/Province/Postal Code Vancouver, BC, V6E 2K3	Issuer Fax No. n/a	Issuer Telephone No. (604) 525-9409
Contact Name Stephen Brohman	Contact Position CFO	Contact Telephone No. (604) 525-9409
Contact Email Address stephen@dbmcpa.ca	Web Site Address www.Champignonbrands.com	