

Champignon Brands Inc.

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Psychedelics companies cheer as Canada grants landmark approval to four terminally ill patients to use psilocybin therapy

Psilocybin therapy is in the international spotlight after a landmark decision by the Canadian government to allow four terminally ill patients to use psychedelic treatment at the end of life.

The August 4 decision by Canada's Minister of Health, Patty Hajdu, allows the four patients to receive a legal exemption from the Controlled Drugs and Substances Act to access psychedelic therapy. They are the first publicly-known patients to legally use psilocybin since the compound became illegal in Canada in 1974, according to a statement by TheraPsil, a non-profit coalition that advocates for legal, compassionate access to psilocybin therapy for palliative Canadians.

In a statement accompanying the news, Thomas Hartle, who is facing a terminal cancer diagnosis, thanked Minister Hajdu for the approval of the group's exemption under Section 56(1) of the Controlled Substances Act.

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"This is the positive result that is possible when good people show genuine compassion," Hartle said. "I'm so grateful that I can move forward with the next step of healing."

Laurie Brooks, another one of the four patients granted exemption, said the move was an acknowledgment of the pain and anxiety she had to deal with as a result of her diagnosis. "I hope this is just the beginning and that soon all Canadians will be able to access psilocybin, for therapeutic use, to help with the pain they are experiencing, without having to petition the government for months to gain permission."

It's a landmark decision that those in the emerging psychedelics industry are applauding.

"I think this is a positive for the field insofar as the government of Canada is implicitly stating that there's the potential for benefit, and that potential overshadows the potential for harm for people that we all agree are suffering from a devastating situation," said Champignon Brands Inc CEO Dr Roger McIntyre. "It would then stand to reason that people who have treatment resistant depression, which is also devastating, should also reasonably expect that the treatment should be made available to them too."

Long-term relief for mental health

Psilocybin, found in so-called "magic mushrooms," is a naturally occurring psychedelic compound that research has found may provide long-term relief for mental health struggles such as anxiety and depression. But the drug is still classified as illegal in Canada unless it is authorized for clinical trial or research purposes.

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.

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Still, the decision should help open the door to greater and more rapid access to psilocybin therapy for anxiety, according to Joseph Tucker, CEO of Canadian psychedelics company MagicMed Industries Inc. "Doing so should facilitate greater and improved collection of clinical evidence in support of this important new therapeutic modality, which will in turn help to destigmatize the use of psilocybin and other psychedelic substances when administered under appropriate clinical guidance," said Tucker.

For investors watching the psychedelics space, it's not hard to draw comparisons to similar milestones in the lead up to cannabis legalization, when the first patients were first approved to use what was then classified as a drug.

"We're still in the early days, like it was in the cannabis sector, but I think it's ground-breaking news that will open up a lot of doors, specifically on the clinical side," said Michael Frank, CEO at Revive Therapeutics Ltd, which recently acquired Psilocin Pharma Corp to conduct research and develop delivery formulations for psilocybin. "The clinical work sets the groundwork for validating the hypothesis, and then you can move towards validating the market and creating product when legislation passes."

There are currently a number of studies underway on the effect of psilocybin on mental health conditions, and the research so far is encouraging. A January 2020 study out of NYU Langone Health found that a single dose of psilocybin provides long-term relief of anxiety and depression in cancer patients, just one of many similar studies in progress across North America.

What's going on in the US?

While Canada may seem one step closer to legalization for therapeutic purposes, the US may not be too far behind. Earlier in July, activists in Washington DC presented more than 36,000 signatures to the Board of Elections that may put decriminalization of psilocybin and other natural psychedelics like mescaline on the ballot in November.

"The US is something we're going to be waiting on until the elections this year, when psilocybin is expected to be a ballot initiative," said Derrick Welsh, the founder of Psilocin Pharma Corp, which was recently acquired by Revive.

Whatever happens with the legalization process, the decision by the Canadian government is being hailed as a win in the psychedelics industry.

"I think we'll see more approvals in the coming months than we've ever seen before," Welsh added. "These four Canadians were really ground-breaking for the industry, that's for sure."

Psychedelic companies to watch:

Anahit (Private): Looking to acquire and/or build growing and cultivation facilities. The emphasis is on craft growing psilocybin.

Bright Minds (Private): Working to improve current psychedelic drugs via molecule alterations.

Champignon Brands (CSE:SHRM): Focused on using psilocybin to treat mental health disorders.

Entheon Biomedical (Private): DMT-based drug development for substance abuse disorders.

Empower Clinics (CSE:CBDT): US-focused wellness clinic operator getting into psychedelic treatment.

Field Trip Health (Private): Personalized therapeutic psychedelics.

Mind Medicine (MindMed) (OTCQB:MEDF): Neuro-pharmaceutical company that discovers, develops and deploys psychedelics.

Mindset Pharma (Private): Patentable psychedelic compounds for the treatment of neurological and psychiatric disorders.

Mota Ventures (CSE:MOTA): An ecommerce retailer of CBD products in Europe and the US that recently entered the psychedelics market.

Numinus Wellness (Private): Mental illness and addiction.

Revive Therapeutics (CSE:RVV): A life sciences company focused on the research and development of therapeutics for rare disorders and infectious diseases.

ThinkMyco (Private): Mushroom production technology.

Universal Ibogaine (Private): Ibogaine treatment clinics.

WAKE (Private): Psilocybin-assisted therapy using functional mushrooms

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