Mental health at the forefront of new research into Psychedelics

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The liberalization of cannabis usage (pun intended) has made strides in opening up other aspects of the drug spectrum. To that end, today we are going to look at Numinus Wellness Inc. (TSXV: NUMI), a leader in health care and research creating psychedelic centered solutions to treat mental illness, substance abuse and trauma.

There has been a paradigm shift in the treatment of mental illness over the last few years. Psychedelics are becoming more accepted, validated by academic and industry research, and recognized by Canadian and US regulators. In 2019 the Imperial College London and Johns Hopkins opened the world's first psychedelic research centers. In late 2020, Health Canada first approved psilocybin therapy for select patients with terminal illness and then went a step further by proposing a federal regulatory revision to allow controlled psychedelic access outside of clinical trials.

At this point, you may be questioning if I'm on psilocybin (more commonly known as magic mushrooms) or MDMA (also referred to as ecstasy or molly). Obviously, we aren't talking about the street version of these drugs but safe, evidence-based psychedelic assisted therapies. The Numinus Wellness model, which includes psychedelic production, research and clinic care, is at the forefront of a transformation aimed at healing rather than managing symptoms for depression, anxiety, trauma, pain and

substance abuse. Numinus is leading the integration of psychedelic-assisted therapies into mainstream clinical practice, and building the foundation for a healthier society.

The company is broken down into three distinct divisions: Numinus Health – which delivers treatments through clinics and virtual services, with clinics in Vancouver and Montreal; Numinus R&D – which is developing clinical and therapeutic protocols to use in treatments, in collaboration with research partners and regulators; and Numinus Bioscience – currently developing formulations and methods for therapeutics, using Health Canada licenses, scientific expertise and cutting-edge technology. The company enjoys high barriers to entry, reinforced by IP (intellectual property), proprietary protocols, medical expertise, strategic partnerships and regulatory relationships.

Monday, the company announced a Phase 1 Clinical Trial of natural psilocybin mushroom extraction prepared at the company lab. The Phase 1 trial, done in partnership with KGK Science, will enroll human volunteers and assess the safety and psychoactive properties of a Psilocybe mushroom product extracted and formulated at the Numinus Bioscience lab in British Columbia. Successful completion of the landmark trial would result in safety and efficacy data for a natural psilocybin product. The trial supports Canada's leadership in the safe production of a key psychedelic that has shown promise in treating mental health conditions.

Psychedelic therapies are increasingly demonstrating efficacy, from psilocybin relieving major depression with greater efficacy than traditional antidepressants to MDMA for PTSD showing both substantial clinical impact and potential cost-savings of millions of dollars per year. A recent article suggested the psychedelic drugs market size is projected to reach $10.75 B by

2027 making this industry one to take note of.

Despite the announcement of its Clinical Trial, it's more likely that the stock was up 19% on big volume over the last three days on news that one of its peers, Mind Medicine Inc. (NEO: MMED | Nasdaq: MNMD), announced it begins trading on the Nasdaq today causing Mind Medicine to rally 89% over the same period. The chatboards are rife with rumors that Numinus will follow suit with its own Nasdaq listing. However, this is not a meme stock. The company recently closed a $40M financing, bringing its cash position to $65M. They have a Phase 1 Clinical Trial, are well capitalized to prove out the science behind their proprietary clinical research and are already generating revenue (albeit not cash flow positive). Numinus is well positioned to grow organically, by acquisition or both.

Disclosure: The author is long Numinus Wellness (TSXV: NUMI).