

B.C.'s functional and psychedelic mushroom industry is having a shroom boom

[Nathan Caddell](#) Dec 14, 2021



Credit: Nik West

Craig and Brandi Garden, co-founders of Surrey-based Eversio Wellness, are big believers in functional mushrooms

He may have the right name for the job, but it took Craig Garden some time to find his passion. The Surrey native spent years as a project manager for various consulting firms before he and his wife, Brandi, made a personal discovery.

A longtime triathlete and Ironman competitor, Garden started using so-called functional mushrooms to, as he puts it, "biohack my body." Brandi, on the other hand, used them to help treat psoriatic arthritis, a condition that can cause joint pain, stiffness and swelling. "It crippled her to a point that she couldn't walk with our newborn child back then," her husband says. "Now she's in full remission, thanks to functional mushrooms. It's quite remarkable."

When the couple started making extracts from high-potency mushrooms sourced around the world, they realized they had the beginnings of a business on their hands. "We thought, Hey, we're onto something here, this

isn't rocket science, and more people would probably like access to it, being that it's not a pill," Garden says. He also talked with first-responder friends about their experiences treating post-traumatic stress disorder (PTSD), anxiety and depression with psychoactive mushrooms, he adds.

In March 2020, the Gardens applied to Health Canada for a controlled drugs and substances dealer's licence under the company name [Eversio Wellness](#). They received a functional mushrooms licence this January and an authorization to sell psychoactive mushrooms in the summer, becoming one of the first Canadian companies to pull off the latter.

Surrey-based Eversio now has some 18 employees and has engaged in research partnerships with universities across the country. Its products include capsules and powders made from functional mushrooms—the top sellers are Lion's Mane, Reishi and Turkey Tail (see page 36)—with psychoactive offerings scheduled for release soon. "People are questioning what they're putting in their bodies now more than ever," Garden says. "And these mushrooms are changing their lives."

The new cannabis?

Although many of the purported physical and mental benefits of consuming mushroom extracts remain scientifically unproven, Eversio is one of several B.C. companies hoping to get flush from fungi. Relatively speaking, the startup is also a spore among toadstools.

Big money has been funnelling toward psilocybin (the hallucinogenic substance in magic mushrooms) and functional mushrooms since New York-based [MindMed](#) became the first psychedelics pharma company to go public when it listed on Toronto's NEO Exchange early last year.

Later in 2020, Berlin-headquartered startup [Atai Life Sciences](#) announced the closing of a US\$125 million Series C funding round led by Silicon Valley investor Peter Thiel. Canadian companies soon followed suit. One is Toronto-based [Field Trip Health](#), a developer of psychedelic therapies, which this past March closed a \$95-million round led by U.S. investors. In the same month, [Ritual Superfoods](#) (which is headquartered in Vancouver but has several stateside executives, including its CEO) launched a \$5.22-million initial public offering on the Canadian Stock Exchange for its functional products.

They won't be the last Canadian mushroom players to go public. Vancouver-based [Origin Therapeutics](#), founded this year with the aim of investing in psychedelics companies, hopes to list by the end of 2021. "We wanted to come up with a vehicle to provide access to the industry, which we estimate to be a \$100-billion market opportunity," says Origin CEO Alexander Somjen

The public appears to be on board, at least for certain uses. In a recent national survey by the [Canadian Psychedelic Association](#), 82 percent of respondents said they approved of psilocybin-assisted therapy for people suffering from an end-of-life illness, and 78 percent said they'd support a

government that legalized psilocybin-assisted therapy to improve the quality of life for palliative and end-of-life patients.

Psilocybin has been prohibited in Canada since 1975. But just last year, Health Canada started using its authority to grant legal exemptions, mostly to people with terminal illness and treatment-resistant depression.

After raising \$6.5 million in August to fund investment in the sector, Origin has already deployed about a third of that total with five different businesses. "Retail investors often don't have access to these companies when they're in the proof-of-concept stage," Somjen says. "We're also really passionate about providing growth capital to companies in the psychedelic space that are combating mental health."

In February of this year, another Vancouver company, [Optimi Health](#), completed an oversubscribed \$20.7 million IPO and listed on the CSE. The company, slated to start selling both functional and psychedelic mushrooms in early 2022, has a 20,000-square-foot complex in Princeton. "It's set up to be, as far as I know, the largest state-of-the-art psychedelic mushroom cultivation facility in Canada, if not the world," says chief marketing officer Dane Stevens.

READ MORE: [Chip Wilson sees things with Optimi Health Corp.](#)

It's saying something that Stevens, co-founder and president of Vancouver's [Cavalier Jewelers](#), is a relative business lightweight compared to other names on Optimi's 15-member team. They include advisers Chip Wilson, founding CEO of Lululemon Athletica; and Edward Safarik, founder and former president and CEO of Ocean Fisheries.

"The same thing happened with cannabis; the big growers came out early, and a lot of people start to follow," Stevens says. "We're an aggressive group," he adds. "We noticed right away that the market was growing at about an 8-percent annual compound rate. Canadian-grown mushrooms aren't really being done locally en masse."



Nik West

Natural powers

The bigger names in the industry, like Atai and U.K.-based [Compass Pathways](#), don't use natural products at all. Instead, they've turned to synthetic compounds to create their offerings. But that isn't how the smaller Canadian companies joining the fray—Optimi and Eversio included—are doing business.

"How many people take synthetic caffeine?" asks Ben Lightburn, co-founder and CEO of Vancouver's [Filament Health](#). "How many people are clamouring for more artificial food dye?"

Like so many of its cohorts, Filament went public recently, listing on the NEO Exchange in June. The company, which has 10 employees working in its lab on BCIT's Burnaby campus, focuses on the treatment of mental health conditions by discovering and delivering all-natural psychedelic medicines.

Filament has already received the first patent issued for the extraction of natural psilocybin, under the leadership of Lightburn, previously CEO of Delta-based plant extraction company Mazza Innovation. (U.S. manufacturer [Sensient Technologies](#) bought Mazza in 2018.)

Lightburn and some other former Mazza executives teamed up to make their mark in the burgeoning industry. "What we've found in our analysis of the over 20 strains we've looked at is the amount of psilocybin can vary as

much as five times, and the amount in mushrooms from the same batch can vary,” Lightburn says.

“Not a problem if you’re taking mushrooms recreationally with your friend on the weekend. But if you’re trying to address a specific mental health concern, or treatment for a specific medication, it’s very important to have a precise dose.”

To that end, Filament has been running clinical trials at the University of California, San Francisco, to try to turn the raw materials into a pharmaceutical extract. “One of the trials that we’re running contains a compound that we’ve identified in the magic mushroom that’s never been in a clinical trial before, ever,” Lightburn says. “Might be even better than psilocybin.”

Function or Fiction?

Functional mushrooms offer health benefits beyond nutrition, proponents claim. These three have long been used in traditional Asian medicine

LION'S MANE

This shaggy specimen is believed to boost cognitive function and the immune system; recent clinical studies on mice lend some support to those arguments



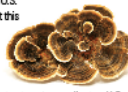
REISHI

Studies over the past few decades have shown the tropical mushroom's cancer-fighting, anti-inflammatory and antioxidant properties, among other benefits



TURKEY TAIL

In a 2014 clinical trial, U.S. researchers found that this multicoloured fungus can promote healthy gut bacteria. It also shows promise as a complementary cancer treatment, according to a U.S. review that same year of several major mushrooms' immunological roles in oncology



SOURCES: MEDICAL NEWS TODAY; HEALTHLINE.COM; NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION



Legal doses

While Canadian companies battle it out to get certified to sell psychedelic mushrooms domestically, [Albert Labs](#) is taking a different approach. The company of 10 employees is domiciled in B.C. with a lab in Burnaby, but it's planning to distribute its products only in the U.K. and continental Europe.

Albert Labs is developing its own psychedelic-based drug that it says can help people with cancer. “Because cancer patients are usually taking some kind of drug to fight the disease, they’ve found it often conflicts with antidepressants, and it turns out it doesn’t work for them,” says director Frank Lane. “Psychedelics are proving to not conflict with the cancer drug and are more effective than normal antidepressants generally.”

To get its treatment to market faster, Albert Labs hopes to use a process common in the U.K. called real-world evidence. Rather than rely on traditional randomized trials to win approval for a drug treatment, this method analyzes data gathered from clinical sources—for example,

electronic health records or product and disease registries. “These patients can’t wait,” Lane says. “They’re dying of cancer, suffering from anxiety and depression.”

For Lane, it’s a matter of starting with a known safe product that can quickly get to patients. “Our team has already used that evidence in Europe.”

It’s no coincidence that the U.K., according to Lane, is “very interested in fast-tracking psychedelics if it’s an urgent and unmet need, like cancer-related anxiety. Brexit has been a positive for the drug agencies there. They want to stand apart from the other European countries, so they’ve been told, If you see an innovative company, fast-track it.”

UBC psychology professor Zach Walsh, also an affiliated scientist with the [BC Centre on Substance Use](#), notes that consumption of psilocybin as an aid to mental well-being dates back centuries. “These are ancient medicines that have been used for a long time,” says Walsh, who runs a research lab focused on therapeutic, recreational and problematic substance use. He thinks they show huge potential. “There’s no doubt that as the regulation changes, there’s going to be uses for these medicines.”

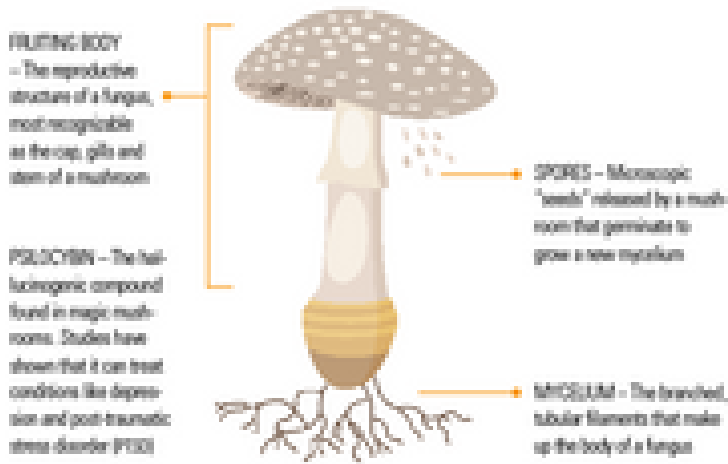
Unlike other emerging treatments for PTSD and depression, psychedelics have already been taken by millions of people, Walsh says. “A sizable number of them will say, Yes, they were helpful,” adds the consultant to several local psychedelics and cannabis companies and adviser to MAPS ([Multidisciplinary Association for Psychedelic Studies](#)) Canada. “So it’s not purely based on animal models or drug development.”

As for when psychedelic therapies might go mainstream, Walsh thinks five years is optimistic. Still, what looks like the easing of prohibition against psychedelics—less than five decades old in Canada—is a return to normal, he argues. “But it’s coming back to normal in a different commercial environment than there was when they were first driven underground.”

Because many people don’t respond to conventional treatments for depression, we need new approaches, Walsh argues. He isn’t sold on waiting for clinical trials of psychedelics, partly because these natural substances are unlikely to generate enough intellectual property to justify the expense. “But the lack of clinical trials doesn’t prove a lack of efficacy, and the lack of clinical trials doesn’t prove a lack of curiosity,” Walsh says. “I think we have to start looking at different ways to evaluate some of these new medicines.”

Spore Speak

New to the mushroom game? Here are some terms you should know



SOURCE: BRITANNICA.COM, GOVERNMENT OF B.C.



Growth strategies

So far, the Gardens haven't taken outside money to fund their fungi. But that may change, given that the reality of the industry is becoming hard to ignore. Even though Eversio has something of a head start on the competition, things are heating up fast.

“These companies have a lot more liquidity to deal with,” Craig Garden admits. “We had that opportunity very early on, but we chose to wait, really build a foundation and a movement to what we have today. And those comments, those customer reviews are really what make us want to continue swinging through the trenches. Because there are a lot of hard days, man. A lot of long hours.”

If Eversio does seek investment, it will do so cautiously. “You have to weather some storms, and that’s fine; we’ll do that,” Garden says. “I think our message is clear—we’re doing it for the right reasons. We won’t sacrifice that for any sum of money or cost-cutting measures.”

By now, Garden must be used to the puns his surname allows. And, being a father, he can't resist cracking a dad joke or two of his own. “We may not be a publicly traded company that gets all this press, but we don't have to pay for that press either,” he says with a smile. “The press we get is organic, and much like the product we put out, that’s the best, cleanest way. *—with files from Nick Rockel*

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