



PSYCHED WELLNESS LTD.

For Immediate Release

PSYCHED WELLNESS CLOSES FINAL US\$2.5M TRANCHE OF ITS NON-BROKERED PRIVATE PLACEMENT FOR A TOTAL OF US\$7.5M WITH GOTHAM GREEN PARTNERS AND PROVIDES CORPORATE UPDATE

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Toronto, Ontario--(Newsfile Corp. – May 1, 2024) - Psychéd Wellness Ltd. (CSE: PSYC) (OTCQB: PSYCF) (FSE: 5U9) (the “Company” or “Psychéd Wellness”), a life sciences company focused on the production and distribution of health and wellness products derived from the Amanita Muscaria mushroom, is pleased to announce that, further to its press releases dated May 30, 2023 (the “**May 30 Release**”) and June 12, 2023 (the “**June 12 Release**”), September 1, 2023 (the “**September 1 Release**”), September 5, 2023, January 17, 2024 and April 19, 2024 (the “**April 19 Release**”), it has closed the final tranche of its previously announced non-brokered private placement (the “**Offering**”) effective April 30, 2024 (the “**Tranche 2B Closing Date**”) for gross proceeds of US\$2,500,000 (“**Tranche 2B**”) upon satisfying the Tranche 2B closing conditions and receiving a closing notice. Capitalized terms not otherwise defined herein have the meanings attributed to them in the May 30 Release.

“Through the completion of Tranche 2B alongside Gotham and our newfound partnership with Justin and Douglas, we are embarking on an exciting chapter for our Company,” said David Shisel, Chief Operating Officer of the Company.

Pursuant to Tranche 2B, the Company has issued 48,889,284 Units at a price of C\$0.07 per Unit for gross proceeds of US\$2,500,000, approximately C\$3,422,250, based on an exchange rate of US\$1.00 = C\$1.3689 as at April 25, 2024, as published on the website of the Bank of Canada.

Each Unit consists of one (1) Common Share and one (1) Warrant. Each Warrant entitles the holder thereof to acquire one (1) Additional Share at a price of C\$0.10 per Additional Share at any time for a period of sixty (60) months from the date of issuance, exercisable on a cashless basis, subject to acceleration and compliance with the policies of the CSE, as further outlined in the May 30 Release.

All securities issued under Tranche 2B are subject to: (i) a four (4) month and one (1) day hold period from the date of issuance and (ii) applicable legends as required pursuant to the U.S. Securities Act. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

In connection with closing Tranche 2B, pursuant to the Amended and Restated Investor Rights Agreement (as defined in the September 1 Release):

1. Gotham (as defined in the June 12 Release) is entitled to designate up to one (1) additional individual to become a member of the Board, replacing one existing member of the Board (who shall not be the First Nominee (as defined in the June 12 Release) or Second Nominee (as defined in the September 1 Release)), bringing the total Board representation of Gotham to three (3) members, and maintaining the board size at seven (7), provided that no more than three (3) Board members, at any time, will be employees or partners of the Investors (as defined in the June 12 Release) or their affiliates; and

2. the Tranche 2B investors entered into lock-up agreements with the Company to refrain from selling any Units acquired in Tranche 2B (and any securities underlying such Units acquired in Tranche 2B) for a period of twelve (12) months following the Tranche 2B Closing Date.

Corporate Update

Further to April 19 Release and pursuant to the terms and conditions of the Transaction Documents (as defined in the April 19 Release), the Company has issued Zerkalo (as defined in the April 19 Release) an aggregate of 35,066,632 Advisory Warrants (as defined in the April 19 Release).

Each Advisory Warrant entitles Zerkalo to acquire one Common Share at a price of C\$0.10 per Common Share at any time for a period of sixty months from the date of issuance, subject to certain vesting conditions. Subject to the Transaction Documents not being terminated prior to the applicable vesting date, 23,377,755 Advisory Warrants shall vest in quarterly installments over the span of ten quarters and the remaining 11,688,877 Advisory Warrants shall vest only upon the completion of the Product's (as defined in the April 19 Release) launch.

The Advisory Warrants and the Common Shares underlying their exercise are subject to: (i) a four (4) month and one (1) day hold period from the date of issuance and (ii) applicable legends as required pursuant to the U.S. Securities Act.

For further information, please contact:

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About Psyched Wellness:

Psyched Wellness is a Canadian-based health supplements company dedicated to the distribution of mushroom-derived products and associated consumer packaged goods. The Company's objective is to create premium mushroom-derived products that have the potential to become a leading North American brand in the emerging functional food category. The Company is in the process of developing a line of Amanita muscaria-derived water-based extracts, teas and capsules designed to help with three health objectives: promote stress relief, relaxation and assist with restful sleeping.

Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the objectives, distribution, and development of the Company's business and products and future activities following the date hereof, including the distribution of mushroom-derived products and associated consumer packaged goods; the Company's objective to create premium mushroom-derived products that have the potential to become a leading North American brand in the emerging functional food category; the development of the Company's Amanita muscaria-derived water-based extracts products and the uses and potential benefits of Amanita Muscaria; the anticipated use of the proceeds from the Offering; and Gotham nominating an additional Board member.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company carrying out its objectives, distribution, and the development of its business and products and

future activities following the date hereof as intended; the Company creating premium mushroom-derived products that have the potential to become a leading North American brand in the emerging functional food category; the Company developing its Amanita muscaria-derived water-based extracts products and them having the uses and potential benefits of Amanita Muscaria; the Company's allocating the proceeds from the Offering as intended; the Zerkalo will complete its services and hit their milestones under the terms of the Transaction Documents; the Zerkalo partnership will not be terminated; and Gotham will nominate a third Board member.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company's inability to carry out its objectives, distribution, and/or the development of its business and products and future activities following the date hereof; the Company's inability to achieve its objective to create premium mushroom-derived products that have the potential to become a leading North American brand in the emerging functional food category; the Company's inability to develop its Amanita muscaria-derived water-based extracts products and/or the products not having the uses and/or potential benefits of Amanita Muscaria; the Company's inability to allocate the proceeds from the Offering as intended; risk that Zerkalo will be unable to complete its services and/or hit their milestones under the terms of the Transaction Documents; risk that the partnership will not have its intended impact on the Company, its business and/or its shareholders; risk that the partnership will be terminated; and risks associated with Gotham nominated a third Board member.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.