



PSYCHED WELLNESS LTD.

For Immediate Release

PSYCHED WELLNESS ENTERS INTO A SERVICE AGREEMENT WITH CANNALABS TO BEGIN STABILITY TESTS ON AME-1

Toronto, Ontario, July 26, 2021 – Psyched Wellness Ltd. (CSE:PSYC, OTCQB:PSYCF, FRANKFURT:5U9) (the “Company” or “Psyched”) a life sciences company focused on the production and distribution of artisanal functional and psychedelic mushrooms, is pleased to announce the Company has entered into a service agreement with CannaLabs, a Canadian, London-based laboratory services company, licensed by Health Canada.

According to the agreement, Psyched Wellness will use the services of CannaLabs to perform stability tests on the Company’s AME-1. The stability tests will help the Company to determine the expiration dates and storage conditions for the final product - AME-1.

In addition, CannaLabs will develop for the Company a new testing method for the raw material to help the Company differentiate between other species and toxins, thus creating a safe and scientific protocol for acceptable raw material.

All intellectual property and/or operational tools that will be developed during the execution of this service agreement will be the sole property of Psyched Wellness.

“Having CannaLabs working closely on the production side of AME-1 further enhances the product quality and validity ensuring AME-1 is a safe and viable product for human consumption”, said Brian Tancowny Psyched Wellness's Head of Pre-Clinical Studies.

“We are thrilled to be working closely with Psyched Wellness and leading the analysis of AME-1,” said Liliana Santamaria, Director and Vice President of Lab Operations, CannaLabs.

“After many months of pre clinical trials and other scientific work that is still ongoing, we have great confidence in our AME-1,” said David Shisel COO of Psyched Wellness. “Commencing the stability tests on the AME-1 is a big step that gets us closer to market.”

For further information, please contact:

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Neither the Canadian Securities Exchange nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

About Psyched Wellness Ltd.:

Psyched Wellness Ltd. 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.

About CannaLabs Science Inc.:

CannaLabs Science Inc. is a Canadian-based, Health Canada licensed analytical laboratory. The Company's state of the art lab specializes in analytical testing for the cannabis, natural health products and pharmaceutical industries. Since inception, CannaLabs has collaborated with various Clients to develop scientific methods and validations to support product development, test raw materials and finished products, and develop and conduct characterization and stability studies.

Cautionary Statement Regarding Forward Looking Information and Statements

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to (i) CannaLabs performing stability tests on the Company's AME-1 on the terms and conditions outlined in this press release, (ii) the safety of AME-1 for human consumption, (iii) the Company's expectations with respect to the commercialization of AME-1, (iv) and the Company's expectation to develop a line of *Amanita muscaria*-derived water-based extracts, teas and capsules designed to help with stress relief, relaxation, and restful sleeping. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended, including, CannaLab's ability to complete the stability tests on the terms and conditions outlined this release and develop the new testing method for the material, the stability tests producing sufficient results to allow Company to determine the expiration dates and storage conditions for the final product, the Company's ability to commercialize the products which depends on the Company receiving the necessary raw materials needed to complete the research and market the products, the Company having the resources to complete the research and prepare and file the necessary regulatory applications needed to commercialize the product, the products having

the expected impact on stress relief, relaxation, and sleeping.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.