

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Psyched Wellness Ltd. (the "Company")

Trading Symbol: PSYC

Number of Outstanding Listed Securities: 130,589,695 Common Shares

Date: January 31, 2022

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On January 18, 2022, the Company announced that it had entered into an agreement with Vantage Hemp Co. ("Vantage") as the Company's contract manufacturing organization ("CMO") partner, facilitating the path to market for the Company's AME-1-derived consumer products (see Question #5 for more details).

On January 26, 2022, the Company announced that the preliminary data from its study with the National Research Council of Canada indicates that AME-1, the Company's key proprietary extract, holds anti-inflammatory properties.

On January 28, 2022, the Company announced that it has implemented a restricted share unit award plan (the "RSU Plan"). In connection with implementing the RSU Plan, the Company announced the grant of 9,300,000 RSUs to certain Eligible Persons in accordance with the terms of the RSU Plan. Half of the RSUs granted vest immediately, with the other half vesting upon launch of the Company's products.

2. Provide a general overview and discussion of the activities of management.

Psyched Wellness's management intends to develop and launch a line of mushroom-infused functional tinctures, capsules designed to help with three health objectives: (i) soothe the body, (ii) ease physical distress and (iii) assist with sleeping. The Company will also be exploring the potential of its unique AME-1 formulation and its active compound, Muscimol for its medicinal purposes.

Operations-wise, the Company has an aggressive plan for 2022, where key focus areas include:

- Provide results of the pre-clinical trials and rodent testing or safety and efficacy of AME-1 that took place in 2021 in January of 2022;
- Complete stability tests for AME-1;
- Secure Contract Manufacturing Organization in the United States (the “U.S.”) for AME-1 derived products and run a pilot production;
- Establish sales channels for the Company’s products in Canada, the U.S. and explore potential sales channels for Europe and Asia;
- Expand on branding, sales and marketing efforts; including updated web properties including an e-commerce section, social media platforms and outreach;
- Complete a draft Self GRAS dossier to submit to the Food and Drug Administration (the “FDA”) in Q1 2022;
- Continue work on the path to obtain an New Dietary Ingredient (“NDI”) via the FDA and an Natural Health Product Number (“NHPN”) via Health Canada to sell AME-1 as a health supplement in 2022;
- Continue research on AME-1:
 - Complete the sleep study to allow for a structure/function claim
 - Commence an alcohol interaction study Q1 2022;
 - Continue to study the therapeutic value of AME-1 for antioxidant and anti-inflammatory purposes, and;
- Identify other potential psychedelic plant and fungi to research for medicinal qualities.

The Company intends to complete the review of the pre-clinical trials and submit the dossier for a Self-GRAS to the FDA in Q1 2022. The Company will continue its plan to submit applications to the FDA for a NDI and Health Canada for a NHPN for AME-1 to be sold as a health supplement. The addition of the Self-GRAS application derisks the move to commercialization. Most companies take new ingredients through the Self-GRAS process as it gives them flexibility to be sold as a conventional food (Nutrition Facts) or dietary supplement (Supplement Facts). The reason the Company did not initially go this route was because the FDA was being sued over the GRAS process and our advisors felt it was too risky given the unknowns of how the lawsuit would pan out. Fortunately, the lawsuit was recently settled in the Southern District of New York in October of 2021 which removed that risk, so it was deemed prudent to pursue the Self-GRAS route in addition to the NDI and NHPN. The Self Grass route is the path of least resistance and most efficient way to get products to market.

In parallel to that, the Company will continue to work on branding, sales and marketing efforts and supply chain manufacturing for commercial-scale manufacturing of Amanita Muscaria-infused products. Management has identified a contract manufacturing organization partner that has all the necessary regulatory approvals to manufacture the product, bottle, and label on behalf of the Company.

As the Company continues to discover the potential of AME-1, management and its Advisory Board will conduct additional research on the many potential mental and physical health issues that our unique extraction formulation of AME-1 could benefit. As muscimol affects the Gaba A receptor, one of the more important receptors in the human brain, it has a unique ability to potentially assist people suffering from various mental and physical health ailments.

The Company also intends to maintain sufficient cash to fund the Company's operating requirements and expansion plans identified from time to time. While the Company expects to incur losses for at minimum the next 12 months, management of Psyched Wellness continues to work towards the success and eventual profitability of the business.

To ensure that the Company will have sufficient financial resources in place to carry out its strategy, management had been aggressively trying to promote and raise the Company's profile to the capital markets and within the investment community. The Company's ability to access both public and private capital is dependent upon, among other things, general market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time. When additional capital is required, the Company intends to raise funds through the issuance of equity. Other possible sources include the exercise of stock options and warrants.

There can be no assurance that additional funds can be raised upon terms acceptable to the Company, or at all, as funding for early-stage companies remains challenging generally. In the absence of any revenues from the current operations, management understands that obtaining new funding is paramount to support the Company's operations in the foreseeable future. While additional financing will continue to be required, management believes that the approach had paid off as it was able to raise more than \$6 million from the Offering in February of 2021, as there was a general interest from the Offering.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

There were no new products or services developed or offered during the month.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

There were no products or services which were discontinued during the month.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On January 18, 2022, the Company announced that Vantage is now its CMO partner. The agreement includes extraction, commercial production and bottling of the products, with the Companies working together to finalize the good manufacturing practices compliance process and final product formulation through Vantage's established production capabilities. The Company has shipped samples of raw material and the desired extract to Vantage's facilities which will follow the Company's unique protocols (as outlined in provisional patents submitted last year) to have the first commercial production of AME-1 units ready for sale during the second quarter of 2022. In addition, the parties plan to develop future products and delivery systems with AME-1 as the base and core ingredient.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

There were no material contracts or agreements expired or terminated during the month and no other material financing arrangements were cancelled during the month.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None noted.

8. Describe the acquisition of new customers or loss of customers.

None noted.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None noted.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Aside from the hiring or termination of employees in the normal course of business, the Issuer had no further hirings or terminations to report.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None noted.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There are currently no legal proceedings against the Company.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None noted.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
RSUs	9,300,000	Grant of RSUs to various officers and directors	N/A

15. Provide details of any loans to or by Related Persons.

None noted.

16. Provide details of any changes in directors, officers or committee members.

None noted.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact Psyched Wellness' business and operations are detailed in the Company's Listing Statement dated October 21, 2020, under the heading "Risk Factors"; in the Company's most recently filed MD&A; and in the Company's other public filings, all of which are available under the Company's SEDAR profile at www.sedar.com, and which are incorporated into this report by reference thereto.

In addition, on January 30, 2020, the World Health Organization declared that the COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China. Companies across various industries could be impacted materially by the coronavirus.

COVID-19's known and unknown impact on earnings, costs, employees, supply chains, customers and other stakeholders, as well as other business matters, may be material for the Company, and may have a material impact on the Company's future earnings, and other business matters. Environmental, social and governance factors may also impact the Company' operations in the near future.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: February 2, 2022.

Jeffrey Stevens

Name of Director or Senior Officer

"Jeffrey Stevens"

Signature

Chief Executive Officer

Official Capacity

Issuer Details Name of Issuer Psyched Wellness Ltd.	For Month End Jan 31, 2022	Date of Report 02/02/22
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