

Psyched Wellness Announces Closing of Private Placement and Shares for Debt Transaction and Resignation of a Director

Toronto, Ontario--(Newsfile Corp. - March 20, 2026) - Psyched Wellness Ltd. (CSE: PSYC) (OTCQB: PSYCF) (FSE: 5U9) (the "**Company**"), a life sciences company focused on the production and distribution of Amanita Muscaria-derived health and wellness products, announces the closing of (i) the first tranche of its non-brokered private placement (the "**Offering**") for gross proceeds of C\$859,653.47, led by Gotham Green Fund III, L.P. and Gotham Green Fund III (Q), L.P. (together with their affiliates and co-investors, the "**Investor Group**"), and (ii) a shares for debt transaction with Zerkalo, LLC ("**Zerkalo**") (the "**Shares for Debt Transaction**").

Private Placement Details

Under the first tranche of the Offering, the Company issued an aggregate of 56,930,693 common shares of the Company ("**Common Shares**") at a price of C\$0.0101 per Common Share and an aggregate of 56,930,693 common share purchase warrants ("**Warrants**") at a price of C\$0.005 per Warrant. Each Warrant entitles the holder thereof to acquire one (1) additional Common Share (each, an "**Additional Share**") at a price of C\$0.0051 per Additional Share at any time on or before the date that is sixty (60) months following the closing date.

All securities issued under the Offering are subject to: (i) a four (4) months and (1) day hold period from the closing date 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 or as otherwise permitted under Canadian Securities Exchange ("**CSE**") policies.

Related Party Transaction

The Offering constitutes a "related party transaction" under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as the Investor Group jointly controls over 10% of the outstanding Common Shares. The Company relied on exemptions from formal valuation and minority shareholder approval under Sections 5.5(b) and 5.7(1)(b) of MI 61-101 as the Company does not have securities listed on a specified stock exchange, neither the fair market value of, nor the consideration to be paid for, the securities issued under the Offering exceeds \$2,500,000 and each of the independent directors of the Company has approved the Offering. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, the Investor Group has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

Shares for Debt Transaction

The Company issued an aggregate of 60,968,317 Common Shares at a price of C\$0.0101 per Common Share in settlement of US\$450,000 (approximately C\$615,780) owed to Zerkalo for consultation services under a master service agreement dated April 1, 2024.

The Common Shares issued pursuant to the Shares for Debt Transaction are subject to: (i) a four (4) months and (1) day hold period from the closing date and (ii) applicable legends as required pursuant to the U.S. Securities Act.

As a result of the completion of the first tranche of the Offering and the Shares for Debt Transaction, the Company has 406,715,844 Common Shares issued and outstanding, and the Investor Group's direct and indirect voting interest in the outstanding Common Shares increased from approximately 43.1% to

approximately 44.6%.

Investor Rights Agreement

In connection with the Offering, the Company entered into an Investor Rights Agreement dated March 20, 2026 with the Investor Group (the "**Investor Rights Agreement**"). The Investor Group is entitled to nominate two (2) directors and two (2) independent directors to the board of directors of the Company ("**Board**"), which shall consist of no more than seven (7) directors with a majority remaining independent. The Company has also granted the Investor Group an eighteen (18) month right of first refusal on any proposed equity, debt or convertible financing, or other capital raising transaction (other than issuances pursuant to equity compensation plans or the exercise of outstanding options, warrants, or other awards).

Director Resignation

Trevor Mayer resigned as a director of the Company effective upon the closing of the first tranche of the Offering, on March 20, 2026. The Company would like to thank Mr. Mayer for his services as a director of the Company and wishes him all the best in his future endeavors.

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.

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 anticipated use of the proceeds from the Offering, the future composition of the Board and the Company's ability to carry out its objectives and develop its business and products following the date hereof.

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; and the Company's inability to allocate the proceeds from the Offering as intended.

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.

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