

Psyched Wellness Announces Stock Option Cancellation with Intention to Regrant Equal Options

Toronto, Ontario--(Newsfile Corp. - January 6, 2023) - Psyched Wellness Ltd. (CSE: PSYC) (OTCQB: PSYCF) (FSE: 5U9) (the "**Company**" or "**Psyched**"), a life sciences company focused on the production and distribution of health and wellness products derived from the Amanita Muscaria mushroom, announces that effective January 5, 2023 (the "**Effective Date**"), the Company has cancelled an aggregate 7,150,000 options ("**Options**") to purchase common shares of the Company ("**Common Shares**"), which were previously granted to board members, advisory board members, employees, advisors and consultants of the Company (each a "**Participant**"). Management reviewed the Company's outstanding Options and determined that certain Options granted to such Participants under the Company's Option plan, at exercise prices ranging from \$0.145 to \$0.39 per Common Share, no longer represented a realistic incentive to motivate such Participants. As such, the Company, in compliance with the policies of the Canadian Securities Exchange (the "**CSE**"), intends to grant an equal number of Options to such Participants 30 days after the Effective Date **at an exercise price equal to the greater** of: (i) \$0.10; and (ii) the closing price of the Common Shares on the CSE on February 3, 2023. Such Options will vest immediately, expire three years from the date of grant and are being granted so that all outstanding Options are at a similar level to each other and provide a realistic incentive to motivate such Participants.

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.

For further information, please contact:

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

Cautionary Statement 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 ability of the Company to develop Amanita Muscaria-derived products; the safety of Amanita Muscaria consumption and the safety and purity of any extracts thereof; the uses and potential benefits of

Amanita Muscaria; the Company's anticipated timeline and process for meeting production and commercialization; the Company becoming a leading North American brand in the emerging functional food category; and the future grant of Options.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; the Company's ability to continue to develop its mushroom-derived products and associated consumer packaged goods; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company will be able to successfully compete in the mushroom and psychedelic industries; mushroom prices will not decline materially; the Company will be able to source rawmaterials; the Company will meet its anticipated timeline and process for production and commercialization; the Company will become a leading North American brand in the emerging functional food category; the Company will become a consumer packaged goods; and the Company granting such Options.

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: unanticipated changes in economic and market conditions (including changes resulting from the COVID-19 pandemic) or in applicable laws; interruptions or shortages in the supply of Amanita Muscaria mushrooms available to support the Company's operations from time to time; risks associated with potential governmental and/or regulatory action with respect to the Company's operations; unanticipated changes in the mushroom and psychedelic industries in the jurisdictions within which the Company may from time to time conduct its business and operations, including the Company's inability to respond or adapt to such changes; risks with respect to the safety of Amanita Muscaria consumption and the safety and purity of any extracts thereof; the risk that there is no potential benefit of Amanita Muscaria consumption; the potential inability of the Company to continue as a going concern; competition within the psychedelics market; risks that the Company will be unable to meet their timeline and/or follow their process for production and commercialization; risk that the Company will not be able to become a consumer packaged goods company; risks that the Company will not become a leading North American brand in the emerging functional food category; and risk that the Company will not grant the Options. 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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