

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Psyched Wellness Ltd.

Trading Symbol: PSYC

Number of Outstanding Listed Securities: 130,024,495 Common Shares

Date: July 31, 2021

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 July 6, 2021, Psyched Wellness Ltd. ("Psyched Wellness" or the "Company") announced that it has received the results from the 14-day oral toxicity preclinical study conducted by KGK Science Inc. ("KGK"), a licensed CRO in Canada. The information obtained from the test results showed no treatment-related adverse effects on treated animals during the study period in several key measures, allowing the next preclinical 90-day oral toxicity study to further identify a safe, effective dose for human consumption.

On July 7, 2021, Amanda Galbraith was appointed to the Company's Board of Directors, to drive its communications strategy. Ms. Galbraith is one of Canada's foremost crisis communications and public affairs experts, and is currently a Principal at Navigator, Canada's leading high stakes public affairs firm, where she provides strategic counsel to private, public, and not for profit organizations, including those in the health, pharmaceutical, retail, finance and technology sectors.

On July 22, 2021, the Company announced that it has completed its largest extraction of AME-1 to date and has shipped it to KGK's labs in Asia, to complete the pre-clinical studies and other scientific work in its product development process. Approximately 20 kilograms of raw material was used to generate approximately 4.2 kilograms of AME-1. The shipment arrived safely and is intended to supply enough material to complete the 90-day toxicity study, the neurobehavioral studies, the conditioned place preference test, and other remaining scientific work required in the product development process of the Company in order to submit the AME-1 as a new dietary ingredient ("NDI") in the U.S. and as a natural health product ("NHP") in Canada.

On July 22, 2021, the Company has refiled its annual MD&A for the year ended November 30, 2020, and the interim MD&A for the period ended

February 28, 2021 (collectively, the “Revised MD&A”). The Revised MD&A was refiled to, among other things, provide more prominent disclosure in respect of the Company’s outlook and strategy, the cost breakdown of its advertising and promotion expenditures, the impact of COVID-19 on operations, the regulatory overview of non-psychedelic mushroom nutraceutical products and NHP in Canada and the U.S., and an overview of the Company’s significant projects which are not yet generating revenue. The revisions were requested as a result of a continuous disclosure review conducted by staff of the Ontario Securities Commission.

On July 26, 2021, the Company announced that it has entered into a service agreement (the “Service Agreement”) with CannaLabs Science Inc. (“CannaLabs”), a Canadian, London-based laboratory services company, licensed by Health Canada (see Question #5 for more details).

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 the rest of 2021 and toward 2022, where key focus areas include:

- Complete pre-clinical trials and rodent testing for safety and efficacy of AME-1 by Q4 2021;
- Establish sales channels for the Company’s products in Canada, the U.S. and explore potential sales channels for Europe;
- Expand on branding, sales and marketing efforts;
- Apply to the United States Food and Drug Administration (the “FDA”) and Health Canada to sell AME-1 as a health supplement by Q2 2022;
- Initiate research on AME-1 as structure/function claims for various mental and or physical health issues; and
- Identify other potential psychedelic plant and fungi to research for medicinal qualities.

The Company intends to complete the pre-clinical trials and submit applications to both the FDA and Health Canada for AME-1 to be sold as a health supplement. 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 partners

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, 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 July 26, 2021, the Company announced that it has entered into the Service Agreement with CannaLabs, pursuant to which Psyched Wellness will use the services of CannaLabs to perform stability tests on AME-1. The stability tests will help the Company to determine the expiration dates and storage conditions for the final product. 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.

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.
None noted.
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.
On July 7, 2021, Amanda Galbraith was appointed to the Company's Board of Directors.
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 recent COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged in the

last several months. 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's 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: July 31, 2021.

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 July 31, 2021	Date of Report 21/07/31
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