

PSYENCE GROUP CORPORATE UPDATE

Highlights:

- Partnership with CRO Clerkenwell Health to design and deliver Psyence's UK clinical trial progressing; exclusive licensing agreement with Filament Health
- Dr. Clive Ward-Able has been appointed as Medical Director, Head of Research & Development and Early Commercialization for Psyence
- ISO22000 certified commercial psilocybin production facility and lab upgraded
- Received an import permit from Health Canada on behalf of Psilo Scientific
- GOODMIND™, functional mushroom product, launched online and in-store, sale through 300 stores of one of Africa's largest coffee retail chains
- CAD 1.273 million private placement received and being closed
- Exploring capital market initiatives in UK, hires Investment Bank

TORONTO, ON/ June 02, 2022 / Psyence Group Inc. (CSE: PSYG | OTCQB: PSYGF) ("Psyence" or the "Company") is pleased to provide the following corporate update on its three strategic focus areas namely: Psyence Therapeutics, Psyence Production and Psyence Function. The Psyence Group develops and provides innovative, safe, and effective psychedelic and nature-centered solutions for mental health and palliative care.

Psyence Therapeutics

Psyence is designing market-leading clinical trials in the field of palliative care, which will initially be conducted in the United Kingdom.

Psyence has partnered with a leading psychedelic Contract Research Organisation (CRO) Clerkenwell Health, to design and deliver the clinical trial, focused on assessing the safety and efficacy of psilocybin-assisted psychotherapy for the treatment of adjustment disorder due to an incurable cancer diagnosis versus psychotherapy alone.

The [UK's "Guardian Online" reported on May 9, 2022](#) that Clerkenwell Health "hopes to "make the UK a world leader in psychedelics research and Europe's first facility for psychedelic drug trials will open in London". The article noted that "***the first trials, planned in collaboration with the Toronto-based biotechnology company Psyence, will focus on the use of psilocybin for the treatment of adjustment disorder – an emotional or behavioural reaction to a stressful event in someone's life – in people with terminal diagnoses.***"

Psyence recently concluded an exclusive licensing agreement with Filament Health Corp, a clinical-stage natural psychedelic drug development company, in April 2022. Filament has previously received authorisation from the FDA and Health Canada to enter into Phase I and Phase II human clinical trials for this drug candidate, PEX010. Under the terms of the agreement, Filament will license its proprietary botanical drug candidate PEX010 (25mg), and the associated intellectual property, to Psyence for use in Psyence's upcoming clinical trials. The license grants Psyence exclusivity in the UK for the indications of anxiety and depression, and associated ailments, within the context of palliative care.

In addition, Psyence appointed Dr. Clive Ward-Able as Medical Director, Head of Research & Development and Early Commercialization for Psyence in December 2021.

Based in Toronto Canada, Dr. Ward-Able has degrees in both Pharmacy and Medicine and over thirty years' experience in the pharmaceutical industry, within R&D, medical affairs, marketing and sales. The majority of his experience is in the medical aspects of the commercialization of a pharmaceutical product, with expertise and direct involvement in designing and conducting clinical trials.

The Psyence Therapeutics team also contributes to scientific research; Psyence's Dr. Amza Ali, MD, (Chief Medical Officer) and Dr. Justin Grant, PhD, MBA, (Chief Scientific Officer) co-authored the peer-reviewed publication "[*Psychedelics: Alternative and Potential Therapeutic Options for Treating Mood and Anxiety Disorders*](#)," which was published in the journal "**Molecules**" April 19, 2022.

Psyence Production

Psyence operates one of the first and only federally licensed commercial psilocybin production facilities in the world. Its production facility, located in Southern Africa, is ISO22000 certified and is licensed to cultivate and export psilocybin mushrooms for the legal, global medical market and commercial medical research market.

In March 2022 Psyence received an import permit from Health Canada on behalf of Psilo Scientific and is preparing to send mushrooms to Canada for analysis and extraction. Psyence has also received an import permit from the Portuguese regulators for the Cooperativa de Ensino Superior Politécnico e Universitário (CESPU) in Portugal and will be providing mushrooms for their extraction methodology development. Psyence is in the process of obtaining the necessary permissions to commence with the export process to these partners.

Psyence has recently concluded an upgrade to its production facility. A new structure has expanded the overall controlled workspace and further secures the facility. The structure also serves to protect the current assets including the spore and substrate unit, laboratory and fruiting facility. The covering will help Psyence decrease its energy costs through providing better insulation. It has been designed to enable a more flexible and cost-effective expansion of the facility in the future to match the expected growth in demand for natural psilocybin.

The laboratory has also been expanded as part of this upgrade. This expansion enables Psyence to have the capability and equipment to undertake in-process testing on site, as well as to generate Certificates of Analysis (COAs) and undertake testing of the end product. It also provides the space for Psyence to undertake crude extraction and testing at the facility. Our extraction partners will then process the crude extract into an active pharmaceutical ingredient (API). There are multiple benefits to on-site extraction including increased product shelf life and reduced transport costs. Psyence mycologist, Neil Van Rij, and his Quality Assurance team are currently receiving training on the new equipment and expect to be fully functional by the end of June 2022.

Psyence Function

Psyence Function is focused on the development, distribution and sales of legal over-the-counter non-psilocybin containing functional mushroom nutraceuticals.

Psyence's first non-psilocybin containing functional mushroom product, **GOODMIND™** was launched online in 2021 through its South African based joint venture, Good Psyence. Good Psyence launched the **GOODMIND™** product on the digital platform <http://www.foragoodmind.com> that was registered and developed by Psyence's joint

venture partner, Goodleaf, solely for the sale of such products. **GOODMIND™** is also distributed through the digital platforms of Goodleaf, Takealot (South Africa's leading online retailer) and Wellness Warehouse online as well as Wellness Warehouse stores. Wellness Warehouse is a leading distributor and retailer of natural and organic products in South Africa. **GOODMIND™**'s water-soluble functional mushroom sachets, which blend with coffee and other beverages, are available for sale through 300 stores of one of Africa's largest coffee retail chains, **Vida e Caffè**.

Corporate Update

The Company is pleased to announce that the non-brokered private placement as announced on December 2, 2021 has yielded approximately CAD 1.273 million of subscriptions and is in the process of closing.

The Company has identified the UK as an investor market for mental wellness and has engaged Hannam & Partners as Corporate Advisors in the UK to assist in exploring capital market opportunities to access a broader pool of UK and European investors. Hannam & Partners, our Corporate Advisors, are also working with Psyence to investigate a potential dual listing in the UK. As part of this dual listing exercise the Company conducted a thorough legal exercise. The Company obtained legal opinions from local counsel registered in each jurisdiction in which the Company currently operates for the purpose of confirming the lawfulness of the Company's activities currently carried on in each jurisdiction. Each local legal adviser was required to address their legal opinion to UK legal counsel (having significant experience in proceeds of crime and anti-money laundering offences), for the purpose of confirming that such activities are suitable for investment by UK persons and such investment would be unlikely to amount to an offence in England under the Proceeds of Crime Act 2002 and relevant anti-money laundering legislation. Based upon the legal opinions obtained, including the opinion of UK legal counsel, the directors of the Company are satisfied that the current activities of the Group do not pose such a risk.

In light of the challenging small cap and global equity markets as a whole, the Company has put into place cash preservation strategies to reduce operational expenditure across the business, including executive remuneration reductions and accruals.

*"Psyence's progress continues to strengthen our company's focused strategy," says **Dr. Neil Maresky, Psyence Chief Executive Officer**. "As we execute on our plans as detailed in this corporate update, and continue to focus on operational efficiencies, we believe Psyence will achieve its milestones and in doing so deliver shareholder value."*

ABOUT PSYENCE GROUP: www.psyence.com

Psyence is a life science biotechnology company listed on the Canadian Securities Exchange (CSE: PSYG) and quoted on the OTCQB (OTCQB: PSYGF), with a focus on natural psychedelics. Psyence works with natural psilocybin products for the healing of psychological trauma and its mental health consequences in the context of palliative care. Our name "Psyence" combines the words *psychedelic* and *science* to affirm our commitment to producing psychedelic medicines developed through evidence-based research.

Informed by nature and guided by science, we built and operate one of the world's first federally licensed commercial psilocybin mushroom cultivation and production facilities in Southern Africa. Our team brings international experience in both business and science and includes experts in mycology, neurology, palliative care, and drug development. We work to develop advanced natural psilocybin products for clinical research and development.

Our key divisions, Psyence Production, Psyence Therapeutics and Psyence Function, anchor an international collaboration, with operations in Canada, the United Kingdom, Southern Africa, and a presence in the United States and Australia.

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FORWARD LOOKING STATEMENTS:

Certain statements in this news release related to Psyence Group Inc and its subsidiaries (collectively the "Company") are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the approval of clinical trial applications by the relevant regulatory authorities, the receipt of all regulatory approvals for the Company's import and export activities, the appetite for investment into the psychedelic and mental wellness sector by UK and European investors, the fulfilment of the conditions required to achieve Company milestones, the effectiveness of the Company's operational efficiency measures and the resultant creation of shareholder value. These forward-looking statements are based on a number of assumptions, including the assumptions that the Company's applications will be successful, the Company's research and development efforts will yield favourable results sufficient for product commercialisation and that there will be demand in the market for the Company's current product offering internationally. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. These risks and uncertainties include demand for the Company's securities being less than anticipated, fluctuations in the price the Company's common shares, and the Company not raising the amount expected, or any funds at all. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

The Company makes no medical, treatment or health benefit claims about the Company's proposed products. The U.S. Food and Drug Administration, Health Canada or other similar regulatory authorities have not evaluated claims regarding psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceutical products. The efficacy of such products has not been confirmed by approved research. There is no assurance that the use of psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceuticals can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Company has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy, and safety of potential products do not imply that the Company verified such in clinical trials or that the Company will complete such trials. If the Company cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company's performance and operations.