

Psyence Group Announces Amendment and Closing of Previously Announced Private Placement

Director Resignation

TORONTO, September 7, 2022 - **Psyence Group Inc. (CSE: PSYG | OTCQB: PSYGF) ("Psyence" or the "Company")**, a life science biotechnology company pioneering the use of natural psychedelics in mental health and well-being, is pleased to announce, further to the Company's press release dated December 2, 2021, the amendment and closing of its first tranche of the previously announced non-brokered private placement offering (the "**Private Placement**") raising gross proceeds of CAD\$1.273 million.

The Private Placement terms were revised from an offering of unsecured convertible promissory notes (the "**Notes**") to become an offering of Units (the "**Units**"). Each Unit consists of one \$1,000 Note and one thousand six hundred and sixty-seven (1,667) warrants (each, a "**Warrant**"). The Notes are convertible at the option of the holder at any time and will be automatically converted upon the occurrence of certain events at a 20% discount to the market price of the Company's common shares at the time of conversion, subject to a minimum conversion price of \$0.12 and a maximum conversion price of \$0.25. Each Warrant is exercisable at the holder's option to purchase one common share at any time prior to 5:00 p.m. (Toronto time) on September 2, 2024 at a price of \$0.30. The Notes will mature 24 months from their date of issuance and bear interest at a rate of 8% per annum.

Certain directors, officers and other insiders of the Company (the "**Insiders**") have purchased an aggregate of 58 Units pursuant to the Private Placement. Participation of an Insider in the Private Placement is considered a "related party transaction" pursuant to Multilateral Instrument 61-101—Protection of Minority Holders in Special Transactions ("**MI 61-101**"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insider's participation in the Private Placement pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the Private Placement does not exceed 25% of the market capitalization of the Company. The material change report in connection with the participation of Insiders in the Private Placement is being filed less than 21 days in advance of the closing of the first tranche of the Private Placement as the details of the participation by related parties of the Company were not settled until shortly prior to the closing of the first tranche of the Private Placement.

The Company plans to use the proceeds from the private placement for its planned UK palliative care clinical trial and general working capital.

The Company further announces that Dr. Amza Ali MD FRCP has tendered his resignation from his positions as a director and Chief Medical Officer of the Company effective September 1, 2022. As a founder and a member of the Board, Dr. Ali has been a thoughtful and principled voice throughout the growth and evolution of the Company, helping to shape its early relationships and its direction as a company with a palliative care focus. He leaves to concentrate on his well-known academic and professional activities but, as a founder, retains a strong interest in the Company. The Company is grateful that he will remain available for his much-valued advice and insights. We thank Dr. Ali for his service and wish him well in all his important endeavours.

The board of directors of the Company consists of Jody Aufrichtig, Dr. Neil Maresky, Alan Friedman, Marvin Singer and Gavin Basserabie.

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ABOUT PSYENCE GROUP: www.psyence.com

Psyence is a life science biotechnology company listed on the Canadian Securities Exchange and (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 Lesotho, 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, Jamaica, South Africa and Lesotho, 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 successful commencement of clinical trials in the UK, which remains subject to regulatory approvals. These forward-looking statements are based on a number of assumptions, including the assumptions that the Company's applications for human clinical trials will be successful. 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 efficacy of psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceutical products remains the subject of ongoing 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.