

PSYENCE GROUP INC.

(the "Company")

Form 51-102F6V – Statement of Executive Compensation – Venture Issuers

COMPENSATION OF EXECUTIVE OFFICERS

The following information is presented in accordance with National Instrument Form 51-102F6V

Statement of Executive Compensation - Venture Issuers ("**Statement**") of Psyence Group Inc. for the financial years ended March 31, 2021, and March 31, 2022. All amounts represented in this form are in Canadian dollars unless stated otherwise.

Definitions

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**compensation security**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer(s) other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument Form 51-102F6V, Statement of Executive Compensation - Venture Issuer, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

Named Executive Officer and Director Compensation

The following table summarizes the compensation paid to the directors and NEOs of the Company for the financial years ended March 31, 2021 and 2022:

Table of compensation excluding compensation securities							
Name and position	Year Ended Mar 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ryan Roebuck ⁽¹⁾ Former Chief Executive Officer and Former Director	2021	5,650	-	-	-	-	5,650
	2022	-	-	-	-	-	-
Chris Carmichael ⁽²⁾ Former Chief Financial Officer and Former Director	2021	17,800	-	-	-	-	17,800
	2022	-	-	-	-	-	-
Steven Low ⁽³⁾ Former Director	2021	14,550	-	-	-	-	14,550
	2022	-	-	-	-	-	-
Jody Aufrichtig ⁽⁴⁾ Director and Executive Chairman	2021	37,500	-	-	-	-	37,500
	2022	150,000	-	-	-	-	150,000
Dr. Neil Maresky ⁽⁵⁾ Chief Executive Officer	2021	-	-	-	-	-	-
	2022	255,000	26,500	-	-	-	281,500
Warwick Corden-Lloyd ⁽⁶⁾ Chief Financial Officer and Company Secretary	2021	96,612	-	-	-	-	96,612
	2022	150,000	-	-	-	-	150,000
Dr. Amza Ali ⁽⁷⁾ Director & Chief Medical Officer	2021	22,500	-	-	-	-	22,500
	2022	150,000	-	-	-	-	150,000
Marvin Singer ⁽⁸⁾ Director	2021	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Gavin Basserabie ⁽⁹⁾ Director	2021	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Alan Friedman ⁽¹⁰⁾ Director	2021	-	-	-	-	-	-
	2022	-	-	-	-	-	-

Compensation Securities by Directors and NEOs

The compensation securities granted or issued to a director or NEO by the Company or any subsidiary thereof during the financial years ended March 31, 2021 and 2022, for services provided, or to be provided directly or indirectly, to the Company or any subsidiary thereof is as follows:

Table of compensation securities							
Name and position	Compensation Security	Number of Underlying Securities of unexercised Compensation Securities and percentage of class	Grant Date	Exercise Price (\$)	Number of Compensation Securities exercised	Closing Price of Underlying Security at Year end	Expiry Date
Ryan Roebuck ⁽¹⁾ Former Chief Executive Officer and Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Carmichael ⁽²⁾ Former Chief Financial Officer and Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Steven Low ⁽³⁾ Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jody Aufrichtig ⁽⁴⁾ Director & Executive Chairman, former CEO	Options	965,000 (12%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025
	Warrants	985,178 (11%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2023
Dr. Neil Maresky ⁽⁵⁾ Chief Executive Officer and Director	Options	1,800,000 (22%)	July 1, 2021	0.30		0.10	Dec 31, 2025
	Warrants	212,997 (2%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2023
	RSU's	980,516 (100%)	July 1, 2021	0.00		0.10	Dec 31, 2025
Warwick Corden-Lloyd ⁽⁶⁾ Chief Financial Officer and Company Secretary	Options	450,00 (6%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025
Dr. Amza Ali ⁽⁷⁾ Director & Chief Medical Officer	Options	287,547 (4%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025
	Warrants	358,906 (4%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2023
Marvin Singer ⁽⁸⁾ Director	Options	400,000 (5%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025
	Warrants	106,499 (1%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2023
Gavin Basserabie ⁽⁹⁾ Director	Options	300,000 (4%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025
Alan Friedman ⁽¹⁰⁾ Director	Options	191,698 (2%)	Dec 31, 2020	0.30	Nil	0.10	Dec 31, 2025

Exercise of Compensation Securities by Directors and NEOs

There were no stock options or other compensation securities exercised by directors and NEOs by the Company or any subsidiary thereof in the years ended March 31, 2021, and March 31, 2022.

Notes

- 1) Ryan Roebuck served as Chief Executive Officer and as Director of the Company during the fiscal year ended March 2021. Ryan Roebuck ceased to serve as Chief Executive Officer of the Company on January 19, 2021, and resigned as a Director on March 3, 2021.
- 2) Chris Carmichael served as Chief Financial Officer and Director of the Company during the fiscal year ended March 2021. Chris Carmichael ceased to serve as Director and Chief Financial Officer of the Company on January 19, 2021.
- 3) Steven Low served as a Director of the Company during the year ended March 2021. Steven Low ceased to serve as Director of the Company on January 19, 2021.
- 4) Jody Aufrichtig was appointed as Chief Executive Officer and Director of the Company on January 19, 2021. Jody Aufrichtig was appointed Executive Chairman on June 25, 2021 (with effect from July 1, 2021) and resigned as Chief Executive Officer on June 25, 2021 (with effect from July 1, 2021). His compensation earned during year ended March 31, 2022 was entirely for his role as CEO and Executive Chairman. The total amount of compensation securities and underlying securities held was 1,950,178 and 1,742,434 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vests on July 27, 2023. Warrants have all vested upon grant date.
- 5) Dr. Neil Maresky was appointed as Chief Executive Officer on June 25, 2021 (with effect from July 1, 2021). His compensation earned during year ended March 31, 2022 was entirely for his role as CEO. The total amount of compensation securities and underlying securities held was 2,993,513 and 92,600 respectively as at March 31, 2022. Vesting conditions of options; 17% vested on October 1, 2021, 17% vested on July 1, 2022, 33% vests on July 1, 2023 and 33% vests on July 1, 2024. Warrants have all vested upon grant date. Vesting conditions of RSU's; 17% vested on October 1, 2021, 17% vested on July 1, 2022, 33% vests on July 1, 2023 and 33% vests on July 1, 2024.
- 6) Warwick Corden-Lloyd was appointed as Chief Financial Officer and Company Secretary of the Company on January 19, 2021. The total amount of compensation securities and underlying securities held was 450,000 and 175,593 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vests on July 27, 2023.
- 7) Dr. Amza Ali was appointed as Director of the Company on January 19, 2021 and was appointed as Chief Medical Officer ("CMO") on March 5, 2021. Dr. Amza Ali resigned as a director and CMO on September 1, 2022. His compensation earned during year ended March 31, 2022 was entirely for his role as CMO. The total amount of compensation securities and underlying securities held was 646,453 and 2,487,283 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vests on July 27, 2023. Warrants have all vested upon grant date.
- 8) Marvin Singer was appointed as Director of the Company on January 19, 2021. The total amount of compensation securities and underlying securities held was 506,499 and 212,998 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2022. Warrants have all vested upon grant date.

- 9) Gavin Basserabie was appointed as Director of the Company on January 19, 2021. The total amount of compensation securities and underlying securities held was 300,000 and 2,978,039 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2022.
- 10) Alan Friedman was appointed as Director of the Company on March 3, 2021. The compensation disclosed above does not include the total service fee of \$78,000 earned by Bayline Capital Partners Inc (a company related to Alan Friedman) in performing the services of Capital Markets Advisor to the Company for the year ended March 31, 2022 (\$25,000 for year ended March 31, 2021). The total amount of compensation securities and underlying securities held was 191,698 and 2,601,460 respectively as at March 31, 2022. Vesting conditions of options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vests on July 27, 2023.

Other than as set forth in the foregoing table, the named executive officers and directors have not received, during the most recently completed financial year, compensation pursuant to any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments, any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors, or any arrangement for the compensation of directors for services as consultants or experts.

External Management Companies

There are no external management companies which employs or retains one or more individuals acting as named executive officers or directors of the company.

Stock Option Plans and Other Incentive Plans

Share Option Plan:

The Stock Option Plan is a "rolling" plan that limits the number of stock options that may be granted pursuant to the plan to a number equal to 10% of the Company's issued and outstanding common shares, calculated at the date of the stock option grant. Share incentives granted under any share incentive plans of the Company will not have a bearing on the number of shares that may be subject to option under the Stock Option Plan.

Eligible Persons.

Only executives (including directors and officers) employees, and consultants of the Company or its subsidiaries are eligible to receive stock options under the Stock Option Plan.

Rolling Plan.

The Stock Option Plan is a rolling plan, such that the maximum number of common shares that may be issued pursuant to the Stock Option Plan shall not exceed 10% of the Company's outstanding shares.

Limitations.

The Stock Option Plan contains the following limitations:

- a) the maximum number of shares which may be reserved for issuance to any one director under the Stock Option Plan must not exceed five percent (5%) of the issued shares (determined at the date the option was granted) in a twelve (12) month period, unless the Company first obtains any required disinterested shareholder approval of this plan;
- b) the number of shares granted to any one Consultant under the Stock Option Plan together with all other security-based compensation arrangements in a twelve (12) month period must not exceed two percent (2%) of the issued shares of the Company;
- c) the aggregate number of options granted to an option holder providing services that include investor relations activities under the Stock Option Plan must not exceed two percent (2%) of the issued shares of the Company in any twelve (12) month period, calculated at the date the option was granted; and
- d) the aggregate number of shares (i) issued to insiders under the Stock Option Plan within a twelve-month period, and (ii) issuable to insiders of the Company at any time under the plan, together with all of the Company's other security based compensation arrangements, shall not exceed ten percent (10%) of the total number of shares then outstanding, unless the Company has first obtained disinterested shareholder approval of the plan, pursuant to applicable law or stock exchange rules (but only if the law or stock exchange rules require such approval).

Term of the Options.

The expiry date of an option will be no later than the tenth anniversary of the grant date. Any shares subject to an option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Stock Option Plan.

Exercise Price.

The exercise price at which an option holder may purchase a share upon exercising their option shall be determined by the price determined by the Committee (as defined below) and shall be set out in the option agreement. The exercise price shall not be less than the price determined in accordance with CSE policies while the Company's shares are listed on the CSE.

Transferability.

Options are generally non-assignable and non-transferable.

Powers of the Board.

The Stock Option Plan permits the Board to appoint a committee (the "Committee") whose purpose is to administer the plan.

Method of Settlement.

The Stock Options will be settled by way of share issuance.

Shareholder Approval

The Stock Option Plan was approved by shareholders at the AGM on December 9, 2021.

Restricted Share Units (RSU's) Plan:

Eligible Persons.

All employees, officers, directors, management company employees or consultants of the Company and its related entities are eligible to participate in the RSU Plan (as "Participants"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed Committee (as defined in the RSU Plan) can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Rolling Plan.

The aggregate number of shares that may be reserved for issuance under the RSU Plan at any time shall not exceed 7.5% of the Company's outstanding shares. This 7.5% limit shall not include the number of shares reserved for issuance under any other incentive plans of the Company.

Vesting.

The Board or the Committee may, in its sole discretion, determine the time during which RSUs shall vest (except that no RSU, or portion thereof, may vest after the expiry date) and whether there shall be any other conditions or performance criteria to vesting. In the absence of any determination by the Board or the Committee to the contrary, RSUs will vest and be payable as to one third (1/3) of the total number of RSUs granted on each of the first, second and third anniversaries of the date or dates on which an award of RSUs is made to a Participant (computed in each case to the nearest whole RSU), provided that in all cases payment in satisfaction of a RSU shall occur prior to the Outside Payment Date (which, in respect of a RSU, means December 31 of the calendar year in which the expiry date of the RSUs occurs). Notwithstanding the foregoing, the Committee may, in its sole discretion at any time or in the RSU agreement in respect of any RSUs granted, accelerate, or provide for the acceleration of vesting (in whole or in part) of RSUs previously granted. The award value of any RSU shall be determined as of the applicable vesting date.

Transferability.

RSUs and all other rights, benefits or interests in the plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions of the RSU Plan.

Limitations.

Unless the Company has first obtained disinterested shareholder approval of the plan, the RSU Plan limits the total number of shares issuable at any time to insiders of the Company, when combined with all other shares issuable to insiders under any security based compensation arrangement, to 10% of the total number of issued and outstanding equity securities of the Company. Unless the Company has first obtained disinterested shareholder approval of the plan, it further limits the total number of shares issuable to insiders during any one-year period under the plan, when combined with all other shares issuable to insiders under any security based compensation arrangement, to 10% of the total number of issued and outstanding equity securities of the Company.

No RSU may be issued to anyone engaged to perform investor relations activities for the Company. In no event can the issuance of RSUs, when combined with any grant made pursuant to any other security-based compensation arrangement, result in: (i) any one person being granted share-based compensation awards equaling or exceeding 5% of the issued shares, within a 12 month period; and, any one consultant in a 12 month period being granted share-based compensation equaling or exceeding 2% of the issued shares.

Terms of RSUs.

Subject to an earlier expiry date as may be determined by the Board and set out in the RSU agreement, RSUs will expire either at the earlier of December 31st of the third calendar year following the year in which the grant date falls for Canadian employee participants or in all other cases, the earlier of the tenth anniversary of the date of the RSU grant.

Method of Settlement.

The RSU's will be settled by way of share issuance.

Shareholder Approval

The RSU Plan was approved by shareholders at the AGM on December 9, 2021.

Employment, Consulting and Management Agreements

During the years ended March 31, 2021 and March 31, 2022, the Company had the following Employment, Consulting and Management Agreements in place:

Jody Aufrichtig

Psyence Biomed and Jody Aufrichtig entered into a consulting agreement dated January 1, 2021 ("**CEO Agreement**"), pursuant to which he shall perform the services of Chief Executive Officer of the Company in consideration for a base fee of \$12,500 per month (\$150,000 per annum); rendering a significant number of hours a day or days a week to such services.

Either of Mr. Aufrichtig or the Company may terminate this CEO Agreement at any time upon no less than sixty (60) days' written notice to the other party, save that the Company may terminate this CEO Agreement at any time without prior notice, for cause, provided that if the act, omission, event or breach giving rise to the cause is capable of being remedied, Mr. Aufrichtig shall be entitled to remedy same within 10 (ten) business days of written notice requiring such remediation.

The Company may terminate the CEO Agreement without cause or Mr. Aufrichtig may terminate the CEO Agreement for good reason (as defined in the CEO Agreement) at any time, in which case the Company shall pay Mr. Aufrichtig an amount equal to one month's base fee for every completed month worked, up to a maximum of 12 months ("**Termination Pay**"). If notice of such termination is served within 12 months of effective date of the agreement (i.e. January 1, 2021), 50% of the stock options granted to Mr. Aufrichtig (whether vested or not) to Mr. Aufrichtig shall immediately vest. If notice of termination is served on or after 12 months of the effective date of the agreement, 100% of the stock options granted (whether vested or not) to Mr. Aufrichtig shall immediately vest. In the event of termination by the Company for any reason whatsoever (other than for cause) or by Mr. Aufrichtig for any reason whatsoever within sixty (60) days of a change of control event (as defined in the CEO Agreement), the Company shall pay Mr. Aufrichtig Termination Pay and 100% of his stock options granted (whether vested or not) shall immediately vest. The Company may terminate the CEO Agreement for cause or Mr. Aufrichtig may terminate the CEO Agreement for convenience, in which case Mr. Aufrichtig shall not be entitled to Termination Pay (or any other severance payment) and all unvested stock options granted to him shall be forfeited.

On July 1, 2021 Mr. Aufrichtig stepped down as Chief Executive Officer of the Company to take up the role of Executive Chairman of the Board of Directors. Other than an amendment to Mr. Aufrichtig's title and scope of service, the terms of the CEO Agreement remain unchanged.

Dr Neil Maresky

The Company (via its wholly-owned subsidiary) and Neil Maresky entered into an employment agreement dated July 1, 2021 ("**New CEO Agreement**"), pursuant to which he shall perform the services of Chief Executive Officer to the Company in consideration for a monthly salary of \$28,333 per month (\$340,000 per annum). Upon signing of the New CEO Agreement, the new CEO received a sign-on bonus to the value of \$26,500.

The termination provisions, severance payments and entitlements and accelerated stock option vesting terms contained within the New CEO Agreement are identical to those contained within the CEO Agreement as set out in more detail above (*mutatis mutandis*).

Warwick Corden-Lloyd

The Company (via its wholly-owned subsidiary) and Warwick Corden-Lloyd entered into a consulting agreement dated February 1, 2021 ("**CFO Agreement**"), pursuant to which he shall perform the services of Chief Financial Officer and Company Secretary to the Company in consideration for a base fee of \$12,500 per month (\$150,000 per annum).

The termination provisions, severance payments and entitlements and accelerated stock option vesting terms contained within the CFO Agreement are identical to those contained within the CEO Agreement as set out in more detail above (*mutatis mutandis*).

Dr Amza Ali

The Company (via its wholly-owned subsidiary) and Dr Amza Ali entered into a consulting agreement dated March 1, 2021 ("**CMO Agreement**"), pursuant to which he shall perform the services of Chief Medical Officer of the Company in consideration for a base fee of \$12,500 per month (\$150,000 per annum) on the basis of a 75% time allocation to the Company.

The termination provisions, severance payments and entitlements and accelerated stock option vesting terms contained within the CMO Agreement are identical to those contained within the CEO Agreement as set out in more detail above (*mutatis mutandis*).

Marvin Singer

On September 8, 2020 Psyence Biomed (then MindHealth Biomed Corp) and Marvin Singer entered into a Board of Advisors Agreement ("**BOA Agreement**") whereby Mr. Singer (with effect from June 30, 2021) would serve as a member of the Company's board of advisors; making himself available for 4 to 6 meetings per year and allocating 5 additional hours per month to the Company.

Mr. Singer's compensation consisted of a combination of warrants granting him the right to subscribe for common shares in the Company and stock options.

The Company may terminate the BOA Agreement for cause without notice, and in all other cases on thirty (30) days' written notice to Mr. Singer.

Bayline Capital Partners Inc

Psyence Biomed and Bayline Capital Partners Inc (a party related to Alan Friedman) entered into a consulting agreement dated January 1, 2021 ("**CMA Agreement**"), pursuant to which it shall perform the services of Capital Markets Advisor to the Company in consideration for a base fee of

\$5,000 per month for the months of January 2021 and February 2021 and \$6,500 per month thereafter.

Oversight and Description of Director and Named Executive Officer Compensation

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long-term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive awards; and (iii) incentive securities-based awards. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options and restricted share units, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and management, and for reviewing the recommendations with respect to compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Board of Directors tasks the Compensation Committee to periodically review the compensation paid to directors, officers, and management based on such factors as: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) to provide recommendations with respect to compensation matters to the Board of Directors

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives may include a parking allowance or a fee for each board or committee meeting attended, or to assist with their out-of-pocket costs, and such benefits and perquisites as set out, respectively, in the "Table of compensation excluding compensation securities" above.

Pension disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.