

PSYENCE GROUP ANNOUNCES CLOSING OF THIRD TRANCHE OF PRIVATE PLACEMENT

Toronto, Canada / March 3, 2023 / 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, announces it has issued 8,556,804 common shares at a price of CAD\$0.12 per common share for aggregate proceeds of CAD\$1,026,816. The private placement remains open as the Company seeks to raise up to CAD \$3 million and may upsize the financing at its discretion.

The securities in the non-brokered private placement will be subject to a hold period under applicable securities laws. Of the total shares issued, 687,500 are subject to a four-month and a day hold period. Shares amounting to 7,869,304 are subject to resale restrictions whereby 25% may not be traded before 6 months from the date of issue, 25% before 12 months, 25% before 18 months and a final amount of 25% before 24 months. Net proceeds from the non-brokered private placement will be used to advance the Company's palliative care clinical trial, drug development and for general working capital.

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 pertaining to the non-brokered private placement, including with respect to the use of proceeds. These forward-looking statements are based on a number of assumptions, including the assumptions that all conditions to which the non-brokered private placement are subject will be met. 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.