Psyence Group Announces Cantheon Capital Private Placement

Vancouver, British Columbia, March 22, 2023 – Psyence Group Inc (CSE:PSYG | OTCQB: PSYGF), a life science biotechnology company pioneering the use of natural psilocybin in mental health and well-being, is pleased to announce that it has entered into a brokered subscription agreement with Cantheon Capital, LLC ("Cantheon"). Cantheon, a fund focussed on listed biotech stocks with near term catalysts, will invest an aggregate amount of USD $1,393,750 (payable in two equal tranches) to fund Psyence's clinical trial in Australia, which will be conducted through recently announced Contract Research Organization (CRO) partner iNGENū Pty Ltd. ("iNGENū"). The proceeds from the subscription will help fund the design and conduct of Psyence's Phase IIb clinical trial using a natural psilocybin drug candidate PEX010, in the palliative care setting.

Neil Maresky, CEO of Psyence Group said, *"We are delighted to receive investment from Cantheon to fund our first clinical trial in the context of palliative care. This funding will enable us to progress this trial as expeditiously as possible. In addition to the commitment from Cantheon, we will be able to take advantage of the Australian Federal Government's Research & Development tax incentive program which will provide up to a 43.5% rebate on our research and development expenses in Australia."*

William Cronin, General Partner of Cantheon Capital commented, *"The opportunity to work with Dr. Maresky and the entire Psyence team has been a complete validation of why we established Cantheon. Psyence's aim of improving the mental health of those so desperately in need, using new treatment modalities, fits completely with our investment mandate and thesis. We look forward to working with this great team for many years to come."*

Terms

Cantheon has subscribed for a number of units in the Company (each a "Unit") in two equal tranches, at an aggregate price of USD$1,393,750. Each Unit shall consist of one common share of the Company (each a "Common Share") and a half (½) warrant to purchase Common Shares in the capital of the Company (each full warrant (i.e two (½) warrants) referred to as a "Warrant").

The tranches of the investment will be triggered by two operational events in connection with the trial, the first being payment by the Company of the first clinical trial commencement invoice and the second being payment of the invoice related to the first patient enrolments. Common Shares will be issued at CAD$0.12 per Common Share in respect of the first tranche of investment. Common Shares issued in connection with the second tranche of investment, subject to the applicable trigger event, will be issued at a price equal to the volume weighted average price of the Company's common shares over the previous five (5) trading days as quoted on the Canadian Securities Exchange (CSE), less a discount of 20%, provided that the issue price shall not be less than CAD$0.12.

The Units include a number of Warrants to be determined in accordance with the number of Units issued in respect of each tranche of investment, with an exercise price equal to a 25% premium on the Common Share issue price in respect of each tranche of investment, and an exercise term of 18 months from the grant date.

The Common Shares issued upon subscription and the securities issued pursuant to the exercising of the Warrants will be subject to a four-month and a day hold period from the date of their respective issuances.

The investment is subject to the Company performing clinical trials to a certain value with iNGENū, with such trial commencing by no later within 90 days of execution of the subscription agreement. The Company's performance of such trials will be subject to (among other things): the conclusion of a master services agreement between the Company and iNGENū; the receipt of all such regulatory and other approvals as may be required to implement the clinical trials and; the receipt of such comfort letters and eligibility reports as may be required to confirm the Company's eligibility to receive Australia's Research and Development (R&D) tax incentive.

The Company expects to receive the first tranche of the investment of USD $696,875 before the end of the month.

About Psyence Group, Inc.

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. The Psyence Biomed Division 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. Learn more at www.psyence.com and on Twitter, Instagram and LinkedIn.

About Cantheon Capital

Cantheon Capital is passionate about the pharmaceutical development of cannabinoids and psychedelic drugs. We support early and mid-stage biotechs looking to make advances through clinical trials with a view to create novel FDA registered pharmaceuticals. Our expertise is in understanding which Bio Pharma companies are likely to achieve success through a combination of: great assets, great team, great advisors, and great strategy. Cantheon Capital

supports cannabinoid and psychedelic biotechs with corporate advisory, capital funding and detailed scientific advice. Learn more at www.cantheoncapital.com.

About iNGENū CRO Pty Ltd

iNGENū is a globally focused Contract Research Organization working exclusively in the cannabinoid and psychedelic space. Our core values: subject matter expertise – globally unmatched expertise in psychedelic drug development; client-centric culture – a highly transparent and collaborative style of partnering with sponsors; and an agile and lean approach to drug development. The Australian advantage is the ability to perform high quality (FDA-eligible) clinical trials prior to opening an IND, accessing 43.5% research and development rebate from the Australian Government, and rapid start-up of clinical trials in under 12 weeks. Learn more at www.ingenucro.com.au.

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FORWARD LOOKING STATEMENTS PSYENCE

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 future success of the partnership between iNGENū, the receipt of all such approvals as may be

required to commence the clinical trials referred to in this news release, the trigger events required to initiate the various investment tranches, and the benefits flowing from the Australian Federal Government's Research & Development tax incentive program. These forward-looking statements are based on a number of assumptions, including the assumptions that Psyence will obtain all such regulatory and other approvals as may be required to pursue its clinical trials on the drug product referred to in the news release, the results of such clinical trials will be positive, Psyence will be eligibility to receive the benefits flowing from the Australian Federal Government's Research & Development tax incentive program and that Cantheon will make payment of the first tranche of investment by the date quoted in the news release. 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.