PSYENCE GROUP ANNOUNCES CLOSING OF PREVIOUSLY ANNOUNCED FINANCING

Toronto, Canada / May 25, 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 that it has issued 7,775,964 common shares at a price of CAD$0.12 per common share and 3,887,982 warrants for aggregate proceeds of CAD$ 933,116 to Cantheon Capital LLC ("**Cantheon**"), a fund focussed on listed biotech stocks with near term catalysts.

As announced on March 23, 2023, Cantheon will invest an aggregate amount of USD $1,393,750, payable in two equal tranches, with this being the first tranche. The investment will be used to fund Psyence's clinical trial in Australia. The clinical trial will be conducted through the Company's 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 licensed natural psilocybin drug candidate, PEX010, in the palliative care setting.

The above warrants are issued with an exercise price of CAD$0.15 and an exercise term of 18 months from the grant date. The common shares are subject to a four-month and a day hold period. The common shares are further subject to transfer and other restrictions in terms of applicable regulations under the United States Securities Act of 1933, in compliance with the exemption from the registration requirements under the Act and other applicable U.S securities laws.

Additionally, the Company has granted stock options under its Stock Option Plan to purchase 150,000 common shares of the Company at an exercise price of $0.14 per share for a five-year term. The stock options were granted to a director of the Company pursuant to the Stock Option Plan and the policies of the Canadian Securities Exchange (the "Exchange"). One half of the stock options vests immediately and the remaining half after six months. The granting of options is subject to any necessary regulatory approvals and requirements of the Exchange.

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 progress and approval of the Phase IIb clinical trial referred to in the news release and the use of proceeds. These forward-looking statements are based on a number of assumptions, including the assumptions that all regulatory and other approvals with respect to the Phase IIb clinical trial will be obtained. 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.