

PSYENCE PRODUCTION EXPANDS CAPABILITY

TORONTO, ON, OCTOBER 30, 2023 – Psyence Group Inc. (CSE:PSYG), a clinical-stage life science biotechnology company pioneering the use of nature-derived psilocybin in mental health and wellbeing (“**Psyence**”), is pleased to provide the following update on **Psyence Production**. Psyence Production is a division of Psyence that oversees its psilocybin cultivation and production facility.

Psyence operates one of the first government licensed commercial psilocybin production facilities in the world. Its cultivation and production facility, located in Southern Africa, is ISO22000 certified. Psyence is licensed to cultivate and export nature-derived psilocybin mushrooms for the legal, global medical market and commercial medical research market.

Extraction capability expanded

Psyence recently designed a new laboratory at the facility in order to expand its extraction capabilities. The building of the laboratory has since commenced and is expected to be completed in Q4 2023. The expansion fits under the existing building footprint, and once completed, new state-of-the-art extraction equipment will be installed to enhance its current extraction capabilities. There are multiple potential benefits to on-site extraction including increased product shelf life, a more stabilized format for export, and reduced transport costs.

The extraction equipment is being manufactured and supplied by Eden Labs LLC (**Eden Labs**). Eden Labs is a product development and extraction technology company based in Seattle, Washington; the supply of the equipment is part of Psyence and Eden Lab’s previously announced collaboration agreement. The equipment will enable the on-site extraction and processing of Psyence’s nature-derived psilocybin-producing mushrooms prior to the product being exported to Psyence’s extraction partners and contract research organisations or CROs. These partners can then process this stabilized input material into an active pharmaceutical ingredient (**API**).

*“It is Psyence’s aim to become a leading supplier of psilocybin mushroom and products for the legal, global medical and commercial medical research market,” said **Tony Budden, Chief Strategy Officer, Psyence Group**. “By enhancing our extraction capabilities, we are able to meet our objectives of ramping up the production of our psilocybin and psilocin extracts as we look to supply a range of quality-certified psychoactive ingredients from Psyence’s facility in the future.”*

Successful audit of the facility

Psyence’s ISO2200-certified cultivation and production facility was successfully audited by MGC Pharmaceuticals Ltd (ASX: MXC) (**MGC**) in July 2023. MGC is a European based bio-pharma company developing and supplying affordable standardised phyto-cannabinoid derived medicines to patients globally.

The audit followed EU-GMP standards and assessed whether Psyence’s facility meets the standards necessary to export Psyence’s nature-derived psilocybin mushrooms to MGC's European facilities. The Psyence Production facility was found to be fully compliant. MGC was granted the import approval to import Psyence’s raw mushroom materials to their facility

in Slovenia with a view that MGC will assist Psyence in doing analysis and stability testing on its mushrooms and to help identify future markets for Psyence's products.

Investment received for the facility expansion

Further, Psyence has received a second round of investments of CAD \$162,697, from existing private investors including Brandon Kerzner and Cody Futeran. The proceeds of the investment are intended to be allocated towards the facility expansion project and the Company has issued 1,355,810 common shares at a price of CAD\$0.12 per common share in relation to the investment. The Company also issued 2,467 common shares at a price of CAD\$0.12 per common share as payment of a finder's fee of \$296. A portion of the funding will be allocated towards hiring a chromatography expert to join Psyence's Production team.

Issuing of shares to Eden Labs

The Company has previously announced its partnership with Eden Labs which demonstrated its commitment to the future success of the joint production venture and the future of the Company by having a portion of the purchase price of the equipment supplied to the Company settled in Company shares upon delivery of such equipment to the Company. Accordingly, the Company has issued 2,297,051 common shares at a price of CAD\$0.12 per common share in relation to such commitment.

At the issue date, the securities referred to above will be subject to a four month hold period under securities laws. The securities issued to Eden Labs will be subject to further transfer restrictions whereby the securities issued to them will be released for transfer in four tranches as follows: 25% at February 29, 2024, 25% at March, 3 2024, 25% at September, 3 2024, and the remaining 25% at March, 3 2025.

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ABOUT PSYENCE GROUP: www.psyence.com

Psyence is a life science biotechnology company listed on the Canadian Securities Exchange (CSE: PSYG), with a focus on natural psychedelics. Psyence works with nature-derived 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 nature-derived psilocybin products for clinical research and development.

Our key divisions, Psyence Production and Psyence Therapeutics anchor an international collaboration, with operations in Canada, the United Kingdom, Southern Africa and Australia, and a presence in the United States.

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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 completion of upgrades to the laboratory, the potential benefits of on-site extraction, and the success of the production capabilities cited in the news release. These forward-looking statements are based on a number of assumptions, including the assumptions that the Company's production updates and extraction efforts will yield favourable results sufficient for product commercialisation and that there will be demand in the market for the Company's envisaged product offering internationally. 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 U.S. Food and Drug Administration, Health Canada or other similar regulatory authorities have not evaluated claims regarding psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceutical products. The efficacy of such products has not been confirmed by approved 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.