

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Psyence Group Inc. (the "Issuer").

Trading Symbol: PSYG

Number of Outstanding Listed Securities: 85,528,931

Date: April 7, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During the month of March 2021, the Issuer continued general and corporate operations as well as strategic initiatives.

See Item #2 for further details.

2. Provide a general overview and discussion of the activities of management.

On March 4, 2021, the Issuer announced that it had launched its functional mushroom brand, "Goodmind", through a South African-based special purpose vehicle ("SPV") called Goodmind (Pty) Ltd ("Goodmind"). The SPV will be responsible for the production, commercialization and sale of Goodmind functional mushroom products, which will include additional psilocybin containing products, subject to compliance with all applicable local laws and regulations in the jurisdictions in which the SPV operates. The primary aim of the SPV is to establish a revenue-generating business by executing on opportunities in the functional mushroom space. The SPV is a 50/50 partnership between the Issuer, via its subsidiary Psyence Biomed Corp, and Southern Sun Pharma Inc's wholly owned subsidiary, The Goodleaf Company (Pty) Ltd, a private company incorporated in South Africa ("Goodleaf"). Goodleaf is the leading cannabis brand in South Africa with established distribution lines through retail stores, online, wholesale, and deli and coffee shops.

On March 5, 2021, the Issuer announced the initiation of a service level agreement with Base Pair Global Pte. Ltd trading as Base Pair Health ("BPH"). BPH is a Singapore-based medical biology, forensic science and product development company. BPH develops advanced nutritional and health products for global clients, with a strong focus on organic and naturally occurring ingredients. BPH's research and product development focus has recently targeted the efficacy of naturally derived psilocybin on gene sequence, and its use on dysfunctional neural networks, primarily psilocybin-assisted therapy as a treatment for psychiatric disorders related to anxiety and depression. BPH will provide the Issuer with advisory services for new health product design and implementation. The partnership will be used to develop and fine-tune medicinal formulations and therapies Psyence develops. Mr. Kevin Coyne was also appointed as Global Commercial Director of Psyence Group Inc. Mr. Coyne is BPH's lead psilocybin Product Development Advisor. This role will provide services encompassing business and commercial development, leading to the commercialization of the Psyence's products.

On March 31, 2021, the Issuer announced that a letter of intent that has been signed with Pure Extracts Technologies Corp (“Pure Extracts”) to form a Joint Venture (JV). The JV would specialise in the extraction of psilocybin from psychedelic mushrooms and development of psilocybin formulations. Pure Extracts is a plant-based extraction company focused on cannabis, hemp, functional mushrooms and the psychedelic sector with a state-of-the-art processing facility and an application submitted to Health Canada for a Dealer’s Licence under the Controlled Drugs and Substances Act (CDSA). The partnership with Pure Extracts will facilitate the importation of standardized psychedelic mushrooms into Canada, creating the opportunity to further optimize extraction methods and produce advanced products needed for safe clinical research.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See item#2 above describing the launch of Goodmind which is a functional mushroom brand.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services were discontinued during the reporting period.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See item#2 above describing the launch of the Goodmind functional mushroom brand, letter of intent signed with Pure Extracts and a service level agreement entered into with Base Pair Global Pte. Ltd. Goodleaf Company (Pty) Ltd, Pure Extracts and Base Pair Global Pte. Ltd are not related persons of the Issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No contracts or agreements expired or were terminated during the reporting period.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Not applicable.			

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

On March 4, 2021, the Issuer announced the addition of Alan Friedman as a new member of the Board of Directors as well as the resignation from the Board of Directors of Ryan Roebuck. On the same day it was announced that Dr. Amza Ali, a current member of the Board of Directors, had taken on the role of Global Medical Director and Kevin Coyne was appointed as Global Commercial Director.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

No new trends noted during the reporting period.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated April 07, 2021

Warwick Corden-Lloyd
Name of Director or Senior
Officer

(signed) "Warwick Corden-Lloyd"
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
Psyence Group Inc.	March 2021	21/04/07
Issuer Address 200 Bay Street, Suite 2010		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No. +1 416-477-1708
Toronto, Ontario, M5J 2J1		
Contact Name	Contact Position	Contact Telephone No.
Warwick Corden-Lloyd	CFO	+1 416-477-1708
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