

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: PSYG

Number of Outstanding Listed Securities: 95,295,299

Date: February 3, 2023

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 January 2023, the Issuer continued general and corporate operations as well as strategic initiatives.

Psyence Group Inc. (the “**Company**”) is a public life science biotechnology company listed on the Canadian Securities Exchange and (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.

The Company received formal approval from the UK's Medicines and Healthcare Regulatory Agency (MHRA) to commence its Phase 2 trial. The trial will assess the safety and efficacy of psilocybin-assisted psychotherapy versus psychotherapy alone for the treatment of adjustment disorder due to an incurable cancer diagnosis in a palliative care context.

On January 8, 2023, the Issuer announced it had signed a Letter of Intent (LOI) with Contract Research Organisation (CRO) iNGENū CRO Pty Ltd (iNGENū) to execute and be jointly responsible for designing Psyence's Phase IIb clinical trial to be conducted in Australia, in compliance with global standards.

The Phase IIb study will be carried out by iNGENū after the application process has been completed in Australia. The planned randomised double-blind study, which will take place in Melbourne, will evaluate the use of psilocybin assisted psychotherapy vs psychotherapy alone. It will use FDA-recommended primary endpoints to test natural psilocybin (PEX010) in over 75 patients with adjustment disorder due to a recent terminal cancer diagnosis. Upon successful completion of the study, Psyence aspires to conduct a multinational Phase III registrational study.

On January 9, 2023, the Issuer announced it had entered into a definitive business combination agreement (the “Business Combination Agreement”) on January 9, with Newcourt Acquisition Corp (Nasdaq: NCAC), a special purpose acquisition company (“SPAC”) formed for the purpose of acquiring or merging with one or more businesses. The Business Combination Agreement is with Psyence Biomed Corp (“Psyence Biomed”), a wholly owned subsidiary of Psyence, to create a public company (the “Combined Company”). If the Business Combination is completed, Psyence Group Inc, which will continue to be listed on the Canadian Securities Exchange (the “CSE”), would own a significant portion and have board control of the Combined Company.

The Business Combination is anticipated to conclude in the first half of 2023, with the Combined Company to go public. The Business Combination is expected to be

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completed by Psyence Biomed acquiring the SPAC through the merger of the SPAC with a to-be-incorporated subsidiary of Psyence Biomed. As a consequence of the Business Combination, the SPAC will become a wholly-owned subsidiary of Psyence Biomed, the SPAC shareholders will become shareholders of Psyence Biomed, and Psyence Biomed would complete filings to become a public company in the United States in which Psyence Group would retain a significant ownership stake. The actual level of Psyence Group ownership of Psyence Biomed upon conclusion of the Business Combination will depend on the ultimate size of the PIPE financing the SPAC intends to complete in conjunction with the Business Combination, the extent of redemptions by SPAC shareholders and the impact of such redemptions on the SPAC shareholder base.

On January 20, 2023 the Issuer completed exported purified pharmaceutical grade psilocybin mushroom extract to its Contract Development & Manufacturing Organisation (“CDMO”) partner in the United Kingdom. The product was exported from Psyence’s licensed ISO22000 certified production facility in Southern Africa.

Psyence’s pharmaceutical psilocybin extract will be used by the CDMO to develop standardised pharmaceutical grade psilocybin and psilocin extracts, which will be formulated into a final product for regulatory approval internationally.

On January 24, 2023 the Issuer announced it had entered into a partnership with Eden Labs LLC, (“Eden Labs”) a product development and extraction technology company that has developed intellectual property and methodologies around the extraction of psilocybin-yielding mushrooms. The partnership features a Global IP Licensing Agreement for the commercialization by Psyence of extraction technology and formulation IP developed by Eden Labs for the production of a water soluble, doseable, stabilized psilocybin powder naturally derived from the fruiting bodies of psilocybin-yielding mushrooms cultivated and processed at Psyence’s federally licensed certified facility in Southern Africa.

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

During the month of January 2023, management continued to support and control the Issuer’s business activities, develop the business and explore strategic business relationships.

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.

No new products or services have been developed and offered to the market in the past month.

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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.

No new business relationships were entered into during the period other than above in point 1.

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 were terminated during the 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 trademarks.

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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⁾
Options	1,220,901	Share option grant	N/A

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

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

Not applicable

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

Not applicable

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

Not applicable

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 February 03, 2023

Warwick Corden-Lloyd
Name of Director or Senior
Officer

(signed) "Warwick Corden-Lloyd"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Psyence Group Inc.	For Month End January 2023	Date of Report YY/MM/DD 23/02/03
Issuer Address 121 Richmond Street West, Penthouse Suite 1300		
City/Province/Postal Code Toronto, Ontario, M5H 1K1	Issuer Fax No. ()	Issuer Telephone No. +1 416-477-1708
Contact Name Warwick Corden-Lloyd	Contact Position CFO	Contact Telephone No. +1 416-477-1708
Contact Email Address warwick@psyence.com	Web Site Address https://www.psyence.com	

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