

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: March 5, 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.

The Issuer aims to set the global standard for natural psychedelics. It has built and operates one of the first federally licensed commercial psilocybin cultivation and production facilities. The Issuer is pioneering the use of natural psilocybin for the long-term treatment of psychological trauma and its mental health consequences. The Issuer's global footprint operates across multiple legal jurisdictions through the advanced provision of psychedelic therapy and experience, as well as market leading functional mushroom brands and product portfolio.

On February 2, 2021, the Issuer filed a notice declaring that it intends to be qualified to file a short form prospectus under NI 44-101 *Short Form Prospectus Distributions*. The Issuer acknowledges that it must satisfy all applicable qualification criteria prior to filing a preliminary short form prospectus. This notice does not evidence the Issuer's intent to file a short form prospectus, to enter into any particular financing or transaction or to become a reporting issuer in any jurisdiction. This notice will remain in effect until withdrawn by the Issuer.

On February 10, 2021, the Issuer announced by way of news release that it had entered into a Research Collaboration Agreement with MycoMeditations Inc ("MycoMeditations"), a leading psilocybin retreat provider to conduct an observational study of the efficacy of naturally derived psilocybin. MycoMeditations is the leading global provider of psilocybin-assisted therapeutic retreat experiences in Jamaica, with a record of more than 750 guests having successfully completing psilocybin-assisted retreats.

The initial retrospective study will investigate a cohort of 30 people who have participated in a MycoMeditations retreat in the past 6 months and had reported suffering psychological trauma prior to their visit (the "Study").

This is the first in a series of studies that the Issuer intends to carry out that investigate the efficacy of naturally derived compounds in comparison to studies undertaken using synthetically produced molecules.

The Study will be submitted for approval to the Ethics Committee of the Jamaican Ministry of Health, following which, and other relevant consents, the Study will be led by Dr. Tamika Haynes-Robinson, Senior Neuropsychologist at the Issuer, with initial results anticipated in mid-2021. In support of this work, Dr. Haynes-Robinson attended a MycoMeditations retreat in early January 2021 as an observer in order to inform her study design and to assess areas where there are opportunities for current retreat practices to be augmented through consultation with the Issuer's team of experts via technical, scientific and medical support to bring operations into what is anticipated to be a soon-to-be regulated environment. The Study will utilize MycoMeditations' existing data combined with the Issuer's generated data analysis. Following completion of the Study, the parties intend to publish the

findings in a peer-reviewed academic journal and other available publication outlets.

The findings will inform the commercially licensed cultivation and production work being undertaken by the Issuer in the Southern African Kingdom of Lesotho, pursuant to its federally issued commercial license to cultivate, process, store, and export psilocybin.

The Research Collaboration Agreement further serves as an opportunity for the Issuer's team of medical and technical professionals to assess the utility of Mycomeditations' vast database of survey data collected from having led therapeutic psilocybin retreats in Jamaica over the past several years for future research and evaluate its possible use in identifying promising therapeutic pathways and indications. Assuming a positive outcome, the parties intend to expand their research collaboration with a further prospective study to measure dosing and efficacy within the structure of the retreat-based guided group experience.

On February 25, 2021, the Issuer filed a Notice of Change in Corporate Structure pursuant to Section 4.9 of National Instrument 51-102 and that it changed its year-end from December 31 to March 31.

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

During the month of February 2021, management continued to support and control the Issuer's business activities, develop the business and explore strategic business relationships.

The operations of its wholly-owned subsidiary, Mind Health (Pty) Ltd, continued with the cultivation and production of psilocybin mushrooms at its production facility in Lesotho. The facility, which is based in Lesotho (Southern Africa), has been designed and constructed to International Organization for Standardization (ISO) 14644-1 Cleanroom specifications and engineering design principles. This design allows various parts of the process to comply with the Good Manufacturing Practice ("GMP") Standards required for product safety and quality to meet the certification needs of The British Standards Institute ("BSI"). The facility is registered with the US Food and Drug Administration ("US-FDA") and is equipped with validated and calibrated specialised equipment to ensure optimum growing conditions and efficient harvesting and packaging.

The first harvest served as an R&D batch. It is being used to inform product characterization as well as to test transport routes to global licensed research and medical customers in legal jurisdictions. Following the success of the first harvest, three more batches will be cultivated and harvested in order to validate all of the processes to attain BSI certification. Following the conclusion of three successful and approved validation batches the processes will be audited and BSI certification will be concluded.

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 were developed or offered during the reporting period.

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.

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MycoMeditations is not a Related Person.

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.
With effect from February 19, 2021, the board of Psyence Therapeutics Corp. (a wholly-owned subsidiary of the Issuer) was reconstituted with the Anthony (Tony) Budden replacing Michael Dacks as a director of the entity.
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 March 05, 2021

Warwick Corden-Lloyd
Name of Director or Senior
Officer



Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Psyence Group Inc.	For Month End February 2021	Date of Report YY/MM/D 21/03/05
Issuer Address 200 Bay Street, Suite 2010		
City/Province/Postal Code Toronto, Ontario, M5J 2J1	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	