Psyence Group Inc.

Unaudited Condensed Consolidated Interim Financial Statements

For the three months and six months ended September 30, 2025

Expressed in Canadian Dollars

(CAD $)

Management's Responsibility for Financial Reporting

Notice of no auditor review of condensed consolidated interim financial statements.

The accompanying Unaudited Condensed Consolidated Interim Financial Statements of Psyence Group Inc. and its subsidiaries (together the "Company") have been prepared by and are the responsibility of management.

Under National Instrument 51-102, Part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants ("CICPA") for a review of interim financial statements by an entity's auditor.

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the Unaudited Condensed Consolidated Interim Financial Statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the Condensed Consolidated Interim Statements of Financial Position date. In the opinion of the management, the Unaudited Condensed Consolidated Interim Financial Statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the Unaudited Condensed Consolidated Interim Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the Unaudited Condensed Consolidated Interim Financial Statements and (ii) the Unaudited Condensed Consolidated Interim Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the Unaudited Condensed Consolidated Interim Financial Statements.

The Board of Directors is responsible for reviewing and approving the Unaudited Condensed Consolidated Interim Financial Statements together with other financial information of the Company and for ensuring that management fulfils its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations and for maintaining proper standards of conduct for its activities.

"Jody Aufrichtig"

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Executive Chairman

Toronto, Canada

November 28 , 2025

(Expressed in Canadian Dollars)

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2025 and March 31, 2025

CAD $	Note	As at September 30, 2025	As at March 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents	5	528,107	8,888,570
Restricted cash	5	-	51,702
Other receivables	6	352,951	200,733
Prepaids		-	361,982
Total current assets		881,058	9,502,987
Non-current assets			
Investment in Psyence Labs Ltd	9	-	1,071,012
Property and equipment	7	-	15,951
Intangible assets	8	13,637	14,901
Total non-current assets		13,637	1,101,864
TOTAL ASSETS		**894,695**	**10,604,851**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	52,202	776,075
Derivative warrant liabilities	15	-	287,658
Total current liabilities		52,202	1,063,733
TOTAL LIABILITIES		**52,202**	**1,063,733**
SHAREHOLDERS' EQUITY			
Share capital	11	22,584,235	21,826,722
Options reserve	11	1,973,947	1,949,797
Foreign currency translation reserve		-	737,522
Accumulated Deficit		(23,715,689)	(23,226,817)
TOTAL SHAREHOLDERS' EQUITY		**842,493**	**1,287,224**
Non-controlling interest	13	-	8,253,894
TOTAL EQUITY		**842,493**	**9,541,118**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**894,695**	**10,604,851**

Nature of operations and going concern (note 1)
Subsequent events (note 21)

Approved on behalf of the Board of Directors.

"Jody Aufrichtig"	"Warwick Corden-Lloyd"
Executive Chairman and Director	Director

The accompanying notes are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

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(Expressed in Canadian Dollars)

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For three and six months ended September 30, 2025 and September 30, 2024

	Note	Three months Ending September 30, 2025	Three months Ending September 30, 2024	Six months Ending September 30, 2025	Six months Ending September 30, 2024
Expenses					
Sales and marketing		737	374,355	118,450	440,539
Research and development		-	362,875	89,990	362,875
General and administrative		12,136	335,708	148,650	767,697
Professional fees and consulting fees		61,064	552,172	395,050	1,173,972
Depreciation and amortization	7,8	635	2,021	1,862	3,707
Profit/(Loss) before other items		**(74,572)**	**(1,627,131)**	**(754,002)**	**(2,748,790)**
Other items					
Interest income		4,417	-	-	134
Interest expense	14	-	-	(14,242)	(5)
Accretion expense	13	-	-	-	-
Foreign exchange (loss)/gain		(40)	(7,399)	808	13,206
Loss on subsidiary disposal	12	-	-	(10,716,405)	(540,970)
Fair value loss on investment of Psyence Labs Ltd.	9	-	-	(219,441)	-
Fair value loss on NCAC promissory note	14	-	(118,758)	-	(138,955)
Fair value gain on convertible note	16	-	4,944,315	-	6,911,682
Fair value gain on warrant liability	17	-	745	-	1,018,414
Fair value loss on warrant exchange		-	(252,837)	-	(252,837)
NET PROFIT / (LOSS)		**(70,196)**	**2,938,935**	**(11,703,282)**	**4,261,879**
Other comprehensive(loss)/income					
Foreign exchange loss on translation		-	(530,848)	(737,522)	(407,996)

(Expressed in Canadian Dollars)

TOTAL COMPREHENSIVE PROFIT / (LOSS)		**(70,196)**	**2,408,088**	**(12,440,804)**	**3,853,883**
NCI share of gains	13	**-**	**2,200,708**	**(636,863)**	**3,424,414**
Parent share of profits/(losses)		**(70,196)**	**738,227**	**(11,066,419)**	**837,465**
Profit / (Loss) per share - basic and diluted	17	**0.00**	**0.08**	**(0.92)**	**0.09**
Weighted average number of outstanding shares - basic and diluted		**15,638,267**	**9,335,415**	**14,156,243**	**9,324,969**

The accompanying notes are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For six months ended September 30, 2025 and September 30, 2024

	Note	Number of shares	Share capital ($)	Warrants reserve ($)	Options reserve ($)	Foreign currency translation reserve ($)	Deficit ($)	Non-controlling interest ($)	Total shareholders' equity/(deficit) ($)
Opening balance as at April 1, 2024		9,273,748	21,662,052	1,574,721	2,013,786	124,365	(49,256,893)	12,048,384	(11,833,585)
Share based compensation	11	-	-	-	30,662	-	-	-	30,662
Exercise of RSUs	11	61,666	120,250	-	(120,250)	-	-	-	-
Non-controlling interests adjustment for change in ownership	13	-	-	-	-	-	-	8,773,476	8,773,476
Other comprehensive loss		-	-	-	-	(407,996)	-	-	(407,996)
Net gain		-	-	-	-	-	837,465	3,424,414	4,261,879
Balance, September 30, 2024		**9,335,415**	**21,782,302**	**1,574,721**	**1,924,198**	**(283,631)**	**(48,419,428)**	**24,246,274**	**824,436**
Opening balance as at April 1, 2025		9,387,695	21,826,722	-	1,949,797	737,522	(23,226,817)	8,253,894	9,541,118
Share based compensation	11	-	-	-	181,663	-	-	-	181,663
Share Consolidation – rounding		(83)	-	-	-	-	-	-	-
Exercise of RSU's	11	250,655	157,513	-	(157,513)	-	-	-	-
Shares issued for cash, net of issuance costs		6,000,000	600,000	-	-	-	-	-	600,000
Disposal of Subsidiaries	12	-	-	-	-	-	10,577,547	(7,700,652)	2,876,895
Noncontrolling interest adjustment for change in ownership	13	-	-	-	-	-	-	83,621	83,621
Other comprehensive loss		-	-	-	-	(737,522)			(737.522)
Net (loss)/profit		-	-	-	-		(11,066,419)	(636,863)	(11,703,282)
Balance, September 30, 2025		**15,638,267**	**22,584,235**	**-**	**1,973,947**	**-**	**(23,715,689)**	**-**	**842,493**

The accompanying notes are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

Condensed Consolidated Interim Statements of Cash Flows

For six months ended September 30, 2025 and September 30, 2024

	Note	September 30, 2025	September 30, 2024
Net (loss)/profit		(11,703,282)	4,261,879
Non-cash adjustments:			
Depreciation and amortization	7,8	1,862	3,708
Foreign exchange		110,307	241,456
Share issuance to third party advisors		83,621	-
Share based compensation	11, 13	181,663	30,662
Loss on disposal of subsidiaries	12	10,716,405	540,970
Fair value loss on NCAC promissory note	14	-	138,955
Fair value gain on convertible note liability	15	-	(6,911,682)
Fair value gain on derivative warrant liabilities	16	-	(1,018,414)
Fair value loss on warrant exchange		-	252,837
Fair value loss on investment	9	219,441	-
Changes in working capital:			
Other receivables		(308,654)	58,424
Prepaids		48,180	228,396
Accounts payable and accrued liabilities		(201,178)	(85,886)
Cash used in operating activities		**(851,635)**	**(2,258,695)**
Loss on disposal of subsidiaries	12	(7,763,528)	-
Investment in Psyence Labs Ltd	9	(345,300)	-
Additions to property and equipment	7	-	(8,781)
Decrease in restricted cash	5	-	10,151
Cash used in investing activities		**(8,108,828)**	**1,370**
Proceeds from share issuance		600,000	-
Proceeds from convertible note liability	16	-	1,367,700
Proceeds from subsidiary cash raise		-	2,530,626
Cash provided from financing activities		**600,000**	**3,898,326**
Change in cash and cash equivalents		(8,360,463)	1,641,001
Cash and cash equivalents, beginning of period		8,888,570	1,058,752
Cash and cash equivalents, end of period		**528,107**	**2,699,753**

The accompanying notes are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements

Notes to the Consolidated Financial Statements

1. Nature of operations and going concern

Psyence Group Inc. (the **"Company"** or **"PGI"**) is a life science biotechnology company focused on the research, cultivation and production of psychedelics and nature-based compounds to treat psychological trauma in the context of palliative care and in support of mental wellness. The Company announced on August 22, 2025 that it had entered into a letter of intent to acquire all of the issued and outstanding securities and securities convertible into securities of GoldCoast Resource Corp., a corporation existing under the laws of Ontario.

The Company's registered office is at 121 Richmond Street West, Penthouse Suite, 1300, Toronto, Ontario M5H 2K1. The Company commenced trading on the Canadian Securities Exchange (**"CSE"**) on January 27, 2021 under the symbol "PSYG".

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

All prior share capital information has been presented based on these ratios.

On April 30, 2025 the Company sold all its shares in Psyence Biomedical Ltd. ("**PBM**"), its NASDAQ listed subsidiary and lost control of it and it's subsidiaries from that date.

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future, realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

As of September 30, 2025, the Company has an accumulated deficit of $23,715,689 (September 30, 2024- $23,226,817). In addition, the Company generated negative cash flow from operating activities of $851,635 (September 30, 2024- $2,258,695). Management has considered the significance of such condition in relation to the Company's ability to meet its current obligations and to achieve its business targets and determined that these conditions are indicators of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. The Company has historically raised funds from the issuance of shares and convertible debentures. The Company's ability to obtain additional financing is materially uncertain, as there is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company.

2. Basis of presentation

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standard Board ("IFRS") on a going concern basis.

The consolidated financial statements were authorized for issuance on November 28, 2025 by the directors of the Company.

Basis of measurement

These Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss ("**FVTPL**").

Functional and presentation currency

These consolidated financial statements are presented in Canadian Dollars (**"CAD $"**)**,** which is also PGI's functional currency. The functional currency of PGI's subsidiaries: Psyence Therapeutics Corp ("**PTC"**) is Canadian Dollars.

Basis of consolidation

These consolidated financial statements incorporate the accounts of the Company and its subsidiaries. A subsidiary is an entity controlled by the Company and its results are consolidated into the financial results of the Company from the effective date of control up to the effective date of loss of control.

Control exists when an investor is exposed, or has rights, to variable returns from the involvement with the investee and has liability to affect those returns through its power over the investee. Where the Company's interest is less than 100%, the Company recognizes non-controlling interests ("**NCI**").

The entities included in PGI consolidated financial statements as of September 30, 2025 are as follows:

Name of entity	Place of incorporation	% Ownership	Accounting method
Psyence Therapeutics Corp.	Ontario	100%	Consolidation

On April 1, 2024, the Company disposed fully of its interests in Mind Health (Pty) Ltd, Psyence South Africa (Pty) Ltd, Psyence UK Group Ltd, and its 50% shareholding in Good Psyence (Pty) Ltd in exchange for 1,000 shares in Psyence Labs Ltd., Note 9.

On April 30, 2025, the Company disposed fully of its interests in Psyence Biomedical Ltd, Psyence Biomed II Corp, Psyence Australia (Pty) Ltd and Newcourt Acquisition Corp. in exchange for fair value consideration of CAD$426,170.

3. Material accounting policies

These Condensed Consolidated Interim Financial Statements follow the same accounting policies, estimates, and methods of application as our most recent Annual audited Consolidated Financial Statements.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2025, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and are not expected to have a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

4. Critical accounting estimates and judgements

These Condensed Consolidated Interim Financial Statements follow the same accounting policies, estimates, and methods of application as our most recent Annual audited Consolidated Financial Statements. The following are considered to be critical accounting estimates and judgements by management for the period ended September 30, 2025 as these require a high level of subjectivity and judgement and could have a material impact on the Company's consolidated financial statements.

Going concern

These Consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

Management routinely plans future activities including forecasting future cash flows and forming judgements collectively with directors of the Company.

Judgement is required in determining if the Company's has sufficient cash reserves, together with all other available information, to continue as a going concern for a period of at least twelve months.

As at September 30, 2025 the Company has concluded that a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

Loss of Control over PBM

During the period, the Company disposed of its entire shareholding in PBM in exchange for fair value consideration of CAD $426,170. As a result of this transaction, the Company lost control over PBM, and the subsidiary has been deconsolidated from the consolidated financial statements effective April 30, 2025, the date of disposal.

5. Cash, restricted cash and cash equivalents

Cash and cash equivalents include the following amounts:

- An amount of $528,107 unrestricted cash held with chartered banks.

6. Other receivables

Other receivables include the following amounts.

	September 30, 2025 $	March 31, 2025 $
Other receivables	347,131	53,285
Sales tax receivable	5,820	147,447
Total	**352,951**	**200,733**

(Expressed in Canadian Dollars)

7. Property and equipment

CAD $	Computer equipment	Buildings	Right-of-use asset	Production equipment	Furniture & fixtures	Bulk infra-structure	Total
Cost							
Opening Balance	18,407	1,510,149	33,889	61,170	19,644	53,557	1,696,816
Additions	13,742	-	-	-	-	-	13,742
Disposals	(10,977)	(1,556,995)	(34,941)	(63,068)	(20,253)	(55,218)	(1,741,452)
Foreign Exchange	1,261	46,846	1,052	1,898	609	1,661	53,327
At March 31, 2025	22,433	-	-	-	-	-	22,433
Disposals	(21,828)	-	-	-	-	-	(21,828)
Foreign exchange	(605)	-	-	-	-	-	(605)
At September 30, 2025	-	-	-	-	-	-	-
Accumulated Depreciation							
Opening Balance	8,836	146,266	185	25,466	18,877	30,506	230,136
Charge for the period	5,939	-	-	-	-	-	5,939
Disposals	(8,776)	(150,803)	(191)	(26,255)	(19,463)	(31,453)	(236,941)
Foreign exchange	483	4,537	6	789	586	947	7,348
At March 31, 2025	**6,482**	**-**	**-**	**-**	**-**	**-**	**6,482**
Charge for the period	598	-	-	-	-	-	598
Disposals	(6,906)	-	-	-	-	-	(6,906)
Foreign exchange	(174)	-	-	-	-	-	-
At September 30, 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Carrying Value							
At March 31, 2025	**15,951**	**-**	**-**	**-**	**-**	**-**	**15,951**
At September 30, 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**

8. Intangible assets

The Company acquired a domain name and have commissioned additional improvements, which is recognized under intangible assets at cost and it is carried at the amortized value.

Intangible Assets	$
Cost:	
Opening Balance	25,212
Additions	-
At March 31, 2025	25,212
Additions	-
At September 30, 2025	25,212
Accumulated Amortization:	
Opening Balance	(7,790)
Charge for the period	(2,521)
At March 31, 2025	(10,311)
Charge for the period	(1,264)
At September 30, 2025	(11,575)
Carrying amount:	
At March 31, 2024	**14,901**
At September 30, 2025	**13,637**

(Expressed in Canadian Dollars)

9. Investment in Psyence Labs Ltd.

On April 1, 2024, the Company sold its investment in Mind Health (Pty) Ltd, Psyence South Africa (Pty) Ltd, Psyence UK Group Ltd, and its 50% shareholding in Good Psyence (Pty) Ltd. in exchange for 1,000 shares in Psyence Labs Ltd. ("PsyLabs"). PsyLabs is a private company headquartered in the British Virgin Islands, and focused on the production of psychedelic active pharmaceutical ingredients and extracts.

The sale of subsidiaries for 1,000 PsyLabs shares resulted in a loss of $540,970 which was recorded in the consolidated statements of loss and comprehensive loss.

The fair value of the investment in PsyLabs shares as at March 31, 2025, was estimated at $1,071,012 (US$745,000), based on a recent arm's length subscription transaction by a third-party investor at US$745 per PsyLabs share.

On April 28, 2025, the Company's former subsidiary PBM bought 125 PsyLabs shares in exchange for US$250,000. The fair value loss of this investment was $219,441 (US$156,875), based on the arm's length subscription transaction by a third-party investor at US$745 per PsyLabs share.

The investment in PsyLabs was disposed on April 30, 2025 when the Company disposed its shares in PBM (Note 4 & 12).

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	June 30, 2025 $	March 31, 2025 $
Trade payables	2,203	399,066
Accrued liabilities	-	71,083
Provisions	50,000	305,926
Total	52,203	776,075

11. Share capital

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On April 23, 2025, the Company consolidated its common shares and warrants on the basis of 15:1.

As at September 30, 2025, there were 15,638,267 (September 30, 2024 – 9,335,415) issued and outstanding Common Shares.

Common shares	2025		2024	
	Number	Amount ($)	Number	Amount ($)
Opening balance April 1	9,387,695	21,826,722	9,273,748	21,662,052
Issuance of shares in private placement	6,000,000	600,000	-	-
Issuance of shares for RSUs exercise	250,655	157,513	61,666	120,250
Share consolidation - rounding	(83)	-	-	-
Balance as at September 30,	15,638,267	22,584,235	9,335,415	21,782,302

(Expressed in Canadian Dollars)

Common shares

Private placements

On June 25, 2025 the Company issued 4,790,000 shares with a subscription price of $0.10 in a private placement. The Company received proceeds of $479,000.

On July 4, 2025 the Company issued 1,210,000 shares with a subscription price of $0.10 in a private placement. The Company received proceeds of $121,000.

RSU exercise

On May 1, 2024 the Company issued 61,667 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling $120,250 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On January 10, 2025 the Company issued 25,613 shares for the exercise of RSU's by various consultants and an employee of the Company. Upon exercise, amounts totalling $38,420 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

On June 12, 2025 the Company issued 250,655 shares for the exercise of RSU's by various consultants of the Company. Upon exercise, amounts totalling $157,513 was transferred from contributed surplus to share capital, determined by reference to the original fair value of the RSU's determined on the date of grant.

Stock Options

The changes in stock options outstanding during the period ended September 30, 2025 and September 30, 2024 are as follows:

	Period ended September 30, 2025	
	Number of options	Weighted average exercise price ($)
Outstanding, at beginning of period	403,936	1.35
Options outstanding, ending	403,936	1.35
Options exercisable, ending	403,936	1.35

	Period ended September 30, 2024	
	Number of options	Weighted average exercise price ($)
Outstanding, at beginning of period	403,936	1.35
Options outstanding, ending	403,936	1.35
Options exercisable, ending	394,677	1.35

(Expressed in Canadian Dollars)

The following stock options are outstanding at September 30, 2025:

Expiry date	Number of options outstanding	Exercise price $	Weight average remaining life (years)	Number of options exercisable
December 31, 2025	13,333	4.50	0.75	13,333
December 31, 2025	259,158	0.90	0.75	259,158
December 31, 2027	27,778	0.90	1.75	27,778
March 31, 2028	93,667	2.10	3.00	93,667
May 25, 2028	10,000	2.10	3.15	10,000
	403,936		1.70	403,936

The fair value of the options was determined at the grant date based on the Black-Scholes pricing model, using the following assumptions:

	Options granted on November 14, 2023	Options granted on November 14, 2023	Options granted on March 31, 2023	Options granted on May 25, 2023
Numbers issued	272,491	27,778	93,667	10,000
Share price	0.75	0.75	1.95	1.95
Expected dividend yield	Nil	Nil	Nil	Nil
Exercise price	0.90	0.90	2.10	2.10
Risk-free interest rate	4.39%	3.76%	2.92%	3.52%
Expected life	2.13	4.13	5.00	5.00
Expected volatility	100%	100%	100%	100%
Expiry date	December 31, 2025	December 31, 2027	March 31, 2028	May 25, 2028

During the period ended September 30, 2025, $0 (September 30, 2024 - $925) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss based on the vesting terms and forfeiture of the options.

Warrants

The changes in warrants outstanding during the period ended September 30, 2024 are as follows:

	Period ended September 30, 2024	
	Number of warrants	Weighted average exercise price ($)
Outstanding, at beginning of period	400,672	3.00
Expired	(141,473)	4.50
Warrants outstanding, ending	259,199	3.00
Warrants exercisable, ending	259,199	3.00

On September 3, 2024, 141,473 warrants expired unexercised. The warrants were granted on September 2, 2022.

On November 25, 2024, 259,199 warrants expired unexercised. The warrants were granted on May 25, 2023.

(Expressed in Canadian Dollars)

Restricted stock units (RSUs)

The changes in RSUs outstanding during the period ended September 30, 2025 and September 30, 2024 are as follows:

	Period ended September 30, 2025
	Number of RSUs
Outstanding, at beginning of the period	99,777
Issued during the period (i)(iii)(iv)	602,300
Exercised during the period	(250,655)
RSUs outstanding, ending	451,422
RSUs exercisable, ending	49,889

	Period ended September 30, 2024
	Number of RSUs
Outstanding, at beginning of the period	210,613
Exercised during the period	(61,666)
RSUs outstanding, ending	148,947
RSUs exercisable, ending	-

(i) On April 1, 2025, a total of 602,300 RSUs were issued to consultants of the Company.

The RSUs granted are accounted for as an equity instrument whereby share-based payments recognized in the consolidated statements of net loss and comprehensive loss are held in options reserve until exercised.

During the period ended September 30, 2025, $181,663 (September 30, 2024 - $29,737) was expensed and recorded as share-based payments under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive loss on the vesting of RSUs.

12. Disposal of entities

On April 30, 2025, the Company sold all its ownership in PBM for the net proceeds of $426,170 to third party investors. As a result, the Company lost control over PBM.

The calculation of loss on disposal are:

	Loss on disposal
Consideration received	426,170
Net assets disposed	11,142,576
Loss on disposal	10,716,405

The net assets disposed, consisted of PPE with a carrying value of $14,735 and working capital with a value of $11,414,214.

13. Non-controlling interest (NCI)

On January 25, 2024, the Company completed a transaction to list its subsidiary, PBM, on the NASDAQ. Following the transaction, the Company exchanged its shares in its subsidiaries performing clinical trials for 8,365 shares in the newly listed PBM, representing a 37% ownership stake. Despite this, the Company retained control over PBM.

Initial Consideration for NCI:

The initial consideration for the non-controlling interest, was $54,203,657, (13,040 shares to NCAC shareholders and 997 shares to advisors at a fair value of $3,861.46. The historic net liabilities were transferred to NCI.

Disposal of Net Liabilities:

As of the Closing date, the Company disposed of historic net liabilities amounting to $2,775,945. The fair value of the net liabilities acquired in PBM was $2,211,915. The difference between these figures $564,030 has been recognized in the statement of changes in equity.

Non-Controlling Interest:

As a result of transactions with NCI, including issuance of PBM shares to extinguish convertible note liability and NCAC promissory note and sales of PBM shares to third parties, non-controlling shareholders hold 100% (June 30, 2024 - 63%) interest in PBM. The transactions with NCI resulted in the NCI adjustment of $83,621 which was recorded in Deficit in the consolidated statements of changes in shareholders' equity.

During the period ended September 30, 2025, the share of losses attributable to non-controlling shareholders was $636,862 (September 30, 2024 – profit of $3,424,414).

14. NCAC Promissory Note

As at April 1, 2024, the Company had the following unsecured convertible promissory notes which bore no interest:

An unsecured convertible promissory note to the NCAC Sponsor (the "**NCAC Note**"), in the principal amount of USD $1,615,501, which was payable on January 25, 2025. This note was convertible into shares at the option of NCAC Sponsor.

NCAC Note was designated at FVTPL due to the embedded conversion features, as the conversion prices were not fixed.

As at April 1, 2024, the fair value of the NCAC note was $1,997,617.

On September 30, 2024, PBM entered into Debt for Equity Exchange Agreement with NCAC Sponsor pursuant to which PBM issued 5,405 of PBM's common shares to extinguish the outstanding balance of NCAC Note, representing a conversion price of USD $298.88 per PBM's share.

In accordance with the Debt for Equity Exchange Agreements, as amended, PBM will need to issue additional shares to NCAC Sponsor if PBM's volume weighted average share price for the 10 days prior to November 26, 2024 is lower than USD $298.88 per PBM's share ("**NCAC make whole payment**").

In December 2024, PBM issued 46,870 common shares to extinguish the NCAC make whole payment.

At September 30, 2024 the fair value of the NCAC Promissory Note was $1,691,241. A fair value loss of $138,955 was included in the consolidated statements of net loss and comprehensive loss relating to the NCAC Promissory Note.

(Expressed in Canadian Dollars)

15. Convertible note liability

On January 15, 2024, in connection with the RTO Transaction (Note 12), PBM and Psyence Biomed II entered into the Securities Purchase Agreement with the Investors and the NCAC Sponsor, relating to up to four senior secured convertible notes obligations under which are guaranteed by certain assets of PBM and Psyence Biomed II, issuable to the Investors at or after the Closing Date, as the case may be, for the aggregate principal amount of up to $17,970,000 (USD $12,500,000) in exchange for up to $14,376,000 (USD $10,000,000) in cash subscription amounts (the "**Convertible Note Financing**").

The First Tranche Notes, for an aggregate of $3,387,500 (USD $3,125,000) principal, were delivered by PBM to the Investors on January 25, 2024, in exchange for an aggregate of $2,710,000 (USD $2,500,000) in financing, which occurred substantially concurrently with the consummation of the RTO Transaction. On the original issuance date of the First Tranche Notes, interest began accruing at 8.0% per annum based on the outstanding principal amount of the First Tranche Notes and is payable monthly in arrears in cash or in common shares of PBM. The maturity date of the First Tranche Note was January 25, 2027.

The Second Tranche Notes, for an aggregate of $1,437,600 (USD $1,000,000) principal, were delivered by PBM to the Investors between May and July 2024, in exchange for an aggregate of $1,797,000 (USD $1,250,000) in financing. On the original issuance date of the Second Tranche Notes, interest began accruing at 8.0% per annum based on the outstanding principal amount of the Second Tranche Notes and is payable monthly in arrears in cash or in common shares of PBM. The maturity date of the Second Tranche Notes is May 31, 2027.

PBM designated the entire instrument as FVTPL.

On August 20, 2024, PBM and the Investor entered into an addendum to the Securities Purchase Agreement (the "Addendum"). Under the provisions of the Addendum, the First and Second Trance Notes would be extinguished by the Company issuing common shares within the conversion limits detailed in the Securities Purchase Agreement.

As a consideration to the Investor entering into the Addendum, PBM issued to the Investor 1,673 common shares valued at $751,864 (USD$523,000) based on the market price of the PBM's common shares on the date of issuance and 837 warrants to acquire common shares of PBM with a two-year expiry, exercisable at USD $298.88 per PBM's share. The warrants were valued at $61,138 (USD $42,528) using the Black-Scholes pricing model with the following assumptions:

	Warrant Inputs at August 20, 2024
PBM share price	USD $312.62
Expected dividend yield	Nil
Exercise price	USD $298.88
Risk-free interest rate	3.93%
Expected life	2.00
Expected volatility	17.7%
Expiry date	August 20, 2026

The fair value of shares and warrants issued pursuant to the Addendum as detailed above, was recorded in the consolidated statements of net loss and comprehensive loss as part of the fair value gain on convertible note.

The First Tranche Note was fully converted into common shares as of September 30, 2024.

Second Tranche Note: USD $1,087,790 of the USD $1,250,000 principal was converted by September 30, 2024, leaving an outstanding principal balance of USD $162,210.

PBM measured the fair value of the convertible loan liability before each conversion using Monte Carlo valuation model with the following main assumptions: expected dividend yield 0%, exercise price USD $224.22- USD $320.45, risk free interest rate 3.63%- 5.23%, expected life 0.1 – 2.7 years.

(Expressed in Canadian Dollars)

The fair value of the convertible notes was estimated using a combined discounted cash flow approach and Monte Carlo simulation with the following assumptions as of September 30, 2024.

	Inputs
Share price	USD $59.78
Conversion price	USD $224.20
Prepayment Amount	130%
Discount rate shares	3.63%
Discount rate cash	17.47%
Volatility annual	100%
Volatility daily	6.30%
Risk free annual	3.63%

The fair value was calculated to be $nil as of September 30, 2025 ($65,175 September 30, 2024). A fair value gain of $nil was recognized during the period end September 30, 2025 ($6,911,682, September 30, 2024).

16. Derivative warrant liabilities

PBM has two classes of warrant liabilities outstanding: Public Warrants and Private Warrants. As of March 31, 2025, there were 20,762 warrants issued and outstanding, consisting of 19,808 Public Warrants and 954 Private Warrants. Each warrant is exercisable to purchase one PBM's common share at a price of USD $6,874.13 per share.

During the period ended September 30, 2024, PBM entered into the Warrant Exchange Agreement. Pursuant to the Warrant Exchange Agreement, PBM issued to the Holder 1,104 PBM's common shares in exchange for the surrender and cancellation of 1,104 Public Warrants held by the Holder. The warrants exchange resulted in a loss of $257,474 (USD$185,064) which was recorded in the condensed consolidated interim statements of net loss and comprehensive loss.

Public Warrants: The fair value of the Public Warrants is determined based on the observable market price, as they continue to be traded on the Nasdaq under the symbol “PBMWW.” Changes in fair value during the periods ended September 30, 2025 and March 31, 2025, have been recognized in the condensed consolidated interim statements of net loss and comprehensive loss.

Private Warrants: The Company utilizes a Black-Scholes options valuation model to value the private warrants at each reporting period, using the following main assumptions:

	Warrant Inputs at March 31, 2025
PBM share price	USD $4.78
Expected dividend yield	Nil
Exercise price	USD $6,874.13
Risk-free interest rate	4.21%
Expected life	5.00
Expected volatility	59.98%
Expiry date	January 25, 2029

At September 30, 2024 a fair value loss of $1,081,414 was recognized on the condensed consolidated interim statements of income/(loss) and comprehensive income/(loss).

(Expressed in Canadian Dollars)

17. Transactions with related parties

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments. The Company incurred the following transactions with related parties during the period ended September 30, 2025 and September 30, 2024:

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors.

Key Management Personnel	September 30, 2025	September 30, 2024
Short term benefits	44,296	264,744
Share-based compensation	141,426	18,866
Total	185,722	283,610

Short term benefits consist of consulting fees and other benefits paid to key management personnel.

18. Financial instruments and financial risk management

In the normal course of business, the Company is exposed to a variety of financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, other receivables and loan to joint venture. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at September 30, 2025, the Company's financial liabilities consist of account payable and accrued liabilities.

The Company manages liquidity risk through an ongoing review of future commitments and cash balances available. Historically, the Company's main source of funding has been the issuance of shares for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity or debt funding.

The following table illustrates the contractual maturities of financial liabilities as at September 30, 2025:

(Expressed in Canadian Dollars)

Financial Instrument Maturity ($)	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 3 years
Accounts payable and accrued liabilities	52,202	52,202	52,202	-
Total	52,202	52,202	52,202	-

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company operates internationally and is exposed to foreign exchange risk from the AUD and USD. Foreign exchange risk arises from transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

A 10% adverse change in exchange rate would have resulted in a loss of $1,707 as at September 30, 2025.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities and therefore its income and operating cash flows are substantially independent of changes in market interest rates.

19. Loss per share

The calculation of basic and diluted profit/(loss) per common share for the period ended September 30, 2025 and September 30, 2024 was calculated as follows:

Earnings per share ($)	September 30, 2025	September 30, 2024
Basic and diluted loss per share:		
Net (loss) / profit	(11,703,282)	4,261,879
Average number of common shares outstanding	14,156,243	9,324,969
(Loss) / profit per share – basic and diluted	(0.83)	0.46

The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the period ended September 30, 2025 and September 30, 2024.

20. Capital management

The Company manages its cash and cash equivalents and the components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of natural health business, to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk level.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments on hand.

In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Management considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the year.

21. Subsequent Events

On November 25, 2025, the Company announced that it had entered into a definitive amalgamation agreement dated November 21, 2025 with GoldCoast Resources Corp. and Psyence Therapeutics Corp., a wholly owned subsidiary of the Company. The Company intends to complete a share consolidation prior to closing so that the value per share after consolidation corresponds to the issue price of the GoldCoast financing. The proposed transaction will constitute a "Change of Business" (COB) of the Company. Trading in the Company's common shares will remain halted pending CSE review and will not resume until all CSE conditions for the COB have been satisfied and the transaction has closed. There can be no assurance that the transaction will be completed as proposed or at all.