Psyence Group Inc.

Consolidated Financial Statements

Years ended March 31, 2026 and March 31, 2025

Expressed in Canadian Dollars

(CAD $)

Independent Auditor's Report

To the Shareholders of Psyence Group Inc.:

Opinion

We have audited the consolidated financial statements of Psyence Group Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026, and 2025, and the consolidated statements of net loss and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred accumulated loss and generated negative cash flows from operating activities during the year ended March 31, 2026. As stated in Note 1, these events and conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern or have a material adverse effect on the Company's business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Eduard Shvekher.

MNP LLP

Toronto, Ontario | Chartered Professional Accountants
July 24, 2026 | Licensed Public Accountants

(Expressed in Canadian Dollars)

Consolidated Statements of Financial Position

CAD $	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents	5	439,941	8,888,570
Restricted cash	5	-	51,702
Other receivables	6	6,872	200,733
Prepaids		5,739	361,982
Loan receivable from GoldCoast Resources Corp.	7	364,238	-
Total current assets		816,790	9,502,987
Non-current assets			
Investment in Psyence Labs Ltd	10	-	1,071,012
Property and equipment	8	-	15,951
Intangible assets	9	-	14,901
Total non-current assets		-	1,101,864
TOTAL ASSETS		**816,790**	**10,604,851**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	137,237	776,075
Derivative warrant liabilities	15	-	287,658
Total current liabilities		137,237	1,063,733
TOTAL LIABILITIES		**137,237**	**1,063,733**
SHAREHOLDERS' EQUITY			
Share capital	12	22,537,858	21,826,722
Options reserve	12	1,954,090	1,949,797
Foreign currency translation reserve		-	737,522
Accumulated Deficit		(23,812,395)	(23,226,817)
TOTAL SHAREHOLDERS' EQUITY		**679,553**	**1,287,224**
Non-controlling interest	13	-	8,253,894
TOTAL EQUITY		**679,553**	**9,541,118**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**816,790**	**10,604,851**

Nature of operations and going concern (note 1)
Subsequent events (note 26)

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 Consolidated Financial Statements

(Expressed in Canadian Dollars)

Consolidated Statements of Net Loss and Comprehensive Income (Loss)

For the years ended CAD $	Note	March 31, 2026	March 31, 2025
Expenses			
Sales and marketing		119,867	676,310
Research and development		89,990	475,755
General and administrative		204,284	1,741,923
Professional fees and consulting fees		440,761	2,613,286
Depreciation and amortization	8,9	3,118	8,460
Loss before other items		**(858,020)**	**(5,515,734)**
Other items			
Interest income		24,211	133,399
Interest expense		(18,657)	(12,828)
Foreign exchange gain		707	1,471
Loss on impairment of intangible asset	9	(12,381)	-
Loss on disposal of PBM	14	(287,042)	(540,970)
Loss on settlement of debt		-	(6,000)
Fair value loss on investment of Psyence Labs Ltd.	10	(219,441)	-
Fair value gain on NCAC promissory note		-	530,261
Fair value gain on convertible note		-	4,671,367
Fair value (loss)/gain on warrant liability	15	(22,911)	966,259
Fair value loss on warrant exchange		-	(257,474)
NET LOSS		**(1,393,534)**	**(30,249)**
Other comprehensive income/(loss)			
Foreign exchange (loss)/gain on translation		(175,151)	613,157
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(1,568,685)**	582,908
Net loss is attributable to:			
Non-controlling interest share of net (loss)/gain	13	(807,956)	369,981
Parent share of net loss		(585,578)	(400,230)
		(1,393,534)	(30,249)
Total comprehensive (loss)/gain for the year is attributable:			
Non-controlling interest share of net (loss)/gain	13	(909,505)	1,079,939
Parent share of net loss		(659,180)	(497,031)
		(1,568,685)	582,908
Loss per share - basic and diluted	20	**(0.09)**	**(0.00)**
Weighted average number of outstanding shares - basic and diluted		**14,895,225**	**9,337,003**

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

Psyence™
Healing Minds *with Science*
Changing Lives *with Nature*

(Expressed in Canadian Dollars)

Consolidated Statements of Changes in Shareholders' Equity

For years ended March 31, 2026 and March 31, 2025

	Note	Number of shares	Share capital	Warrants reserve	Options reserve	Foreign currency translation reserve	Accumulated Deficit	Non-controlling interest	Total shareholders' equity
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	12	-	-	-	94,681	-	-	-	94,681
Exercise of RSU's	12	87,280	158,670	-	(158,670)	-	-	-	-
Expired warrants	12	-	-	(1,574,721)	-	-	1,574,721	-	-
Shares issued on settlement of debt	12	26,667	6,000	-	-	-	-	-	6,000
Noncontrolling interests adjustment for change in ownership	13	-	-	-	-	-	24,855,585	(2,632,413)	22,223,172
Warrants Reserve to PBM		-	-	-	-	-	-	(1,532,058)	(1,532,058)
Other comprehensive loss		-	-	-	-	613,157	-	-	613,157
Net (loss)/profit		-	-	-	-	-	(400,230)	369,981	(30,249)
Balance, March 31, 2025		**9,387,695**	**21,826,722**	**-**	**1,949,797**	**737,522**	**(23,226,817)**	**8,253,894**	**9,541,118**
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	12	-	-	-	115,429	-	-	-	115,429
Exercise of RSU's	12	250,572	111,136	-	(111,136)	-	-	-	-
Shares issued for cash	12	6,000,000	600,000	-	-	-	-	-	600,000
Disposal of Subsidiaries	14	-	-	-	-	(562,371)	-	(7,445,938)	(8,008,309)
Other comprehensive loss		-	-	-	-	(175,151)	-	-	(175,151)
Net loss		-	-	-		-	(585,578)	(807,956)	(1,393,534)
Balance, March 31, 2026		**15,638,267**	**22,537,858**	**-**	**1,954,090**	**-**	**(23,812,395)**	**-**	**679,553**

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

(Expressed in Canadian Dollars)

Consolidated Statements of Cash Flows

For the years ended CAD$	Note	March 31, 2026	March 31, 2025
Net loss		(1,393,534)	(30,249)
Non-cash adjustments:			
Depreciation and amortization	8,9	3,118	8,460
Interest Income	7	(20,731)	-
Foreign exchange loss		(94,503)	(24,241)
Loss on impairment of intangible asset	9	12,381	-
Share based compensation	12	115,429	94,681
Loss on settlement of debt	12	-	6,000
Loss on disposal of PBM	14	287,042	540,970
Third party advisors share issuance in PBM		-	349,881
Fair value gain on NCAC promissory note		-	(530,261)
Fair value gain on convertible note liability		-	(4,671,367)
Fair value loss/(gain) on derivative warrant liabilities	15	22,911	(966,259)
Fair value loss on warrant exchange		-	257,474
Fair value loss on investment of Psyence Labs Ltd.	10	219,441	-
Changes in working capital:			
Other receivables		37,424	36,491
Prepaids		42,442	80,287
Accounts payable and accrued liabilities		(203,850)	(701,064)
Cash used in operating activities		**(972,430)**	**(5,549,197)**
Investment in Psyence Labs Ltd	10	(345,300)	-
Additions to property and equipment	8	-	(13,742)
Decrease in restricted cash	5	-	(1,579)
Proceeds from disposal of Investment in Psyence Biomedical Ltd.	14	426,170	-
Cash disposed off with investment in Psyence Biomedical Ltd.	14	(7,813,202)	-
Advances to Gold Coast Resources Corp.	7	(343,867)	-
Cash used in investing activities		**(8,076,199)**	**(15,321)**
Proceeds from share issuance	12	600,000	-
Proceeds from PBM's shares issuance, net of issuance costs	16	-	9,215,584
Proceeds from convertible note liability		-	1,437,600
Proceeds from PBM's PIPE financing	17	-	2,504,371
Sale of PBM shares		-	236,781
Cash provided from financing activities		**600,000**	**13,394,336**
Change in cash and cash equivalents		(8,448,629)	7,829,818
Cash and cash equivalents, beginning of year		8,888,570	1,058,752
Cash and cash equivalents, end of year		**439,941**	**8,888,570**

The accompanying notes are an integral part of the Consolidated 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 safety and efficacy of psychedelics will be evaluated through rigorous clinical trials.

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 August 20, 2025, the Company entered into the letter of intent (the "LOI") with GoldCoast Resource Corp. ("GoldCoast") to acquire all of the issued and outstanding securities and securities convertible into securities of GoldCoast, a corporation existing under the laws of Ontario.

On November 21, 2025, the Company, GoldCoast and Psyence Therapeutics Corp., a wholly owned subsidiary of the Company, entered into a definitive amalgamation agreement (the "Agreement") which superseded the LOI.

Under the terms of the Agreement, the Company, GoldCoast and Psyence Therapeutics Corp. agreed to structure the business combination by way of an amalgamation of GoldCoast and Psyence Therapeutics Corp. (the "Amalgamation") in accordance with the Business Corporation Act (Ontario) (the "OBCA").

Under the terms of the Agreement, the Company will complete a name change to GoldCoast Resource Corp. (or such other name as may be approved by GoldCoast and applicable regulatory authorities) and a share consolidation prior to closing of the business combination.

At the effective time of the Amalgamation between GoldCoast and Psyence Therapeutics Corp., the following shall occur in the following order:

Psyence Therapeutics Corp. and GoldCoast shall amalgamate to form Amalco and shall continue as one company under the OBCA and with the effect set out in Section 179 of the OBCA. Amalco will become a wholly owned subsidiary of the Resulting Issuer (the Company after giving effect to the Amalgamation).

Immediately upon the Amalgamation:

- Each one GoldCoast share shall be exchanged for one fully paid and non-assessable Resulting Issuer shares;
- Each Psyence Therapeutics Corp. share shall be exchanged for one fully paid and non-assessable Amalco share;
- Each holder of one option granted pursuant to the GoldCoast Option Plan outstanding immediately before the Amalgamation shall be exchanged for one Resulting Issuer Option having the same economic terms as the option for which it is being exchanged.

With respect to each GoldCoast share, exchanged in accordance with provisions detailed above:

- The holders thereof shall cease to be the holders of such GoldCoast shares, as the case may be, and the name of each such holder shall be removed from the applicable register of holders of such GoldCoast securities;
- The GoldCoast securities as noted above shall be deemed to have been cancelled as of the effective date of the Amalgamation.

On the effective date of the Amalgamation:

- GoldCoast and Psyence Therapeutics Corp. shall amalgamate and continue as Amalco under the terms and conditions prescribed in the Agreement;
- GoldCoast and Psyence Therapeutics Corp. shall cease to exist as entities separate from Amalco;

- Amalco shall possess all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of GoldCoast and Psyence Therapeutics Corp.;
- A conviction against, or ruling, order or judgment in favour or against either GoldCoast and Psyence Therapeutics Corp. may be enforced by or against Amalco;
- The Articles of Amalgamation are deemed to be the articles of incorporation of Amalco;
- Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an amalgamating corporation before the Amalgamation has become effective;
- The initial directors of Amalco shall be the same directors as the Resulting Issuer; and
- The initial management of Amalco shall be the same management as the Resulting Issuer.

The closing of the business combination is subject to customary conditions in accordance with the Agreement including but not limited to regulatory approvals and the Company having a minimum cash balance of $400,000 and no liabilities at the date of the closing.

The Agreement can be terminated by the Company or GoldCoast if conditions precedent detailed in the Agreement were not met.

On January 27, 2026 the Company announced that GoldCoast has been granted a series of ten contiguous offshore licenses in accordance with Section 31 of the Minerals and Mining Act, 2006 (Act 703) by the Minerals Commission of Ghana covering approximately 10,000 square kilometres area.

On February 24, 2026, the Company entered into an amending agreement (the "Amending Agreement") with GoldCoast and Psyence Therapeutics Corp, to amend the Agreement. The Amending Agreement provides for certain amendments to the Agreement in connection with the proposed Amalgamation, including: (i) an extension of the long-stop date for the holding of required shareholder meetings from January 30, 2026 to April 30, 2026; (ii) an extension of the outside date for completion of the Amalgamation (the "Closing Date") from March 31, 2026 to May 31, 2026; (iii) a corresponding extension of the termination date under the Agreement from March 31, 2026 to May 31, 2026; and (iv) a reduction of the minimum cash condition applicable to the Company at closing from $400,000 to $250,000.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting “May 31, 2026” with “July 31, 2026”.

On April 30, 2025 the Company sold all its shares in Psyence Biomedical Ltd. (“**PBM**”), its NASDAQ listed subsidiary which resulted in a loss of control over PBM, refer to Note 9.

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.

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 March 31, 2026, the Company has an accumulated deficit of $23,812,395 (March 31, 2025- $23,226,817). In addition, the Company generated negative cash flow from operating activities of $972,430(2025- $5,549,197). 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 July 24, 2026 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; Psyence Australia (Pty) Ltd, is the Australian Dollar (**"AUD $"**); Psyence Biomedical Ltd, Psyence Biomed II Corp. and Newcourt Acquisition Corp., is the United States Dollar (**"USD $"**).

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 March 31, 2026 are as follows:

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

On April 30, 2025, the Company disposed fully of its interests in Psyence Biomedical Ltd, Psyence Australia (Pty) Ltd, Psyence Biomed II Corp. and Newcourt Acquistion Corp. for the net proceeds of $426,170 to third party investors, Note 15.

3. Material accounting policies

Financial instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Summary of the Company's classification and measurements of financial assets and liabilities:

Financial Assets and Liabilities	Classification	Measurement
Cash and cash equivalents	Amortized cost	Amortized cost
Restricted cash	Amortized cost	Amortized cost
Other receivables (excluding sales tax receivable)	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Investment Psyence Labs Ltd.	FVTPL	Fair value
Derivative warrant liability	FVTPL	Fair value

Classification

The Company classifies its financial assets in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss (**"FVTPL"**); ii) those to be measured subsequently at fair value through other comprehensive income (**"FVOCI"**); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in net loss or other comprehensive income (loss).

The Company reclassifies financial assets only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the sole payments of principal and interest ("SPPI") criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss

This category includes derivative instruments as well as equity instruments which the Company has irrevocably elected, at initial recognition or transition, to classify at FVTPL. This category would also include debt instruments of which the cash flow characteristics fail the solely payments of principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in net loss. The Company records derivative warrants liabilities at FVTPL. Derivatives are mandatorily recorded at FVTPL.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income (loss) instead of through net loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments.

Financial assets at fair value through other comprehensive income/(loss) are initially measured at fair value and changes therein are recognized in other comprehensive income/(loss).

Compound financial instrument and derivative liability

The Company determined that the warrants, including public warrants and the private warrants are derivative instruments and should be classified as a financial liability and are measured at FVTPL. Derivative and financial liabilities designated at FVTPL are carried subsequently at fair value with gains or losses recognized in net loss.

Each embedded derivative is measured and presented separately unless the whole hybrid financial instrument is designated as at FVTPL.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in net loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through net loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value are recorded in profit and loss, except where changes in fair value are attributable to changes in own credit risk which is recorded in other comprehensive income.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for other receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether there has been a significant increase in credit risk since initial recognition or a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants.

For financial assets with a significant increase in credit risk since initial recognition and financial assets assessed as credit impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

Foreign currency translation

The consolidated financial statements are presented in CAD $ which is PGI's functional currency. The functional currencies of the operating subsidiaries of the Company are the USD, the AUD $, and CAD $.

In each individual entity, a foreign currency transaction is initially recorded in the functional currency of the entity, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred.

The resulting exchange gains or losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are included in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the subsidiary are translated into CAD $ at the exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average rates for the period. Reserves and inter-company balances are translated at their historical exchange rate. Exchange differences arising are recognized in foreign currency translation reserve.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in shareholders' equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Share capital

Financial instruments issued by PGI are classified as shareholders' equity only to the extent that they do not meet the definition of a financial asset or financial liability. PGI's common shares, restricted stock units and share options are classified as equity instruments.

Incremental costs directly attributable to the issuance of new shares are recognized as a deduction from shareholders' equity.

Share-based payments

The Company operates equity settled share-based remuneration plans for its eligible directors, officers, employees and consultants. All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted. Equity settled share-based payments under share-based payment plans are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting. Market conditions are considered in the estimate of the fair value of share-based compensation on a grant date.

Intangible assets

Intangible assets are recognized when:

- it is probable that an associated future economic benefit will flow to the Company; and
- the cost can be measured reliably.

Intangible assets are initially recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and/or impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives using the following rates:

Asset	Method	Rate
Website	Straight-line	5 years

The amortization period and the amortization method for intangible assets are reviewed every period end. During the year ended March 31, 2026, the Company did recognize an impairment loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or with original maturities of less than three months at the date of their acquisition.

Restricted cash

Restricted cash comprises a collateral agreement with a major chartered bank in Canada with regards to a credit card facility against which the Company deposited in a guaranteed investment certificate with the bank.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or entities. A transaction is considered to be a related party transaction when there is transfer of resources or obligations between related parties.

Impairment of non-financial assets

The carrying amount of the Company’s non-financial assets (which include property and equipment and intangible assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statements of net loss and comprehensive income (loss).

The recoverable amount of assets is the greater of an asset’s fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed to profit or loss if there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in the consolidated statements of net loss and comprehensive income (loss) as incurred.

Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are expensed as incurred. Research and development expenses include all direct and indirect operating expenses supporting the products in development. The costs incurred in establishing and maintaining patents are expensed as incurred.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period. The impact of convertible securities issued during the year ended March 31, 2026 and March 31, 2025 are anti-dilutive.

Non- controlling interest

The Company recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets, determined on an acquisition-by- acquisition basis. In subsequent periods, the portion of the Company’s net profit (loss) is allocated to non-controlling interest based on the ownership percentage of the non-controlling interest in the Company’s subsidiaries. Changes in the Company’s ownership interest after control is obtained, that do not result in a change in control of the subsidiary, are accounted for as equity transactions.

If the Company maintains control, it will recognize no gain or loss in the income statement on selling a subsidiary's shares. Similarly, the Company will not record any additional goodwill to reflect its subsequent purchases of additional shares in a subsidiary if there is no change in control. Instead, the carrying amount of the non-controlling interest will be adjusted to reflect the change in the ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Company's equity holders.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2026, 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.

Amendments to the Classification and Measurement of Financial Instruments ("Amendments to IFRS 9 and IFRS 7")

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company has assessed these amendments to have no material impact 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.

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Actual results may differ from these estimates. The Company's management reviews these estimates, judgments, and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The following are considered to be critical accounting estimates and judgements by management for the years ended March 31, 2026 and March 31, 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 March 31, 2026 the Company has concluded that a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

Contingencies

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at the reporting date, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period. The actual results may vary and may cause significant adjustments.

Share-based compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognize compensation expense over the vesting period based on management's estimate of equity instruments that will eventually vest. The determination of the fair value of stock options using the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

For share-based payments granted to non-employees, the compensation expense is measured at the fair value of the goods and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if cash was paid instead of paying with or using equity instruments.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

5. Cash, restricted cash and cash equivalents

Cash and cash equivalents include the following amounts:

- An amount of $439,941 (March 31, 2025 - $8,888,570) unrestricted cash held with chartered banks and;
- an amount of $0 (March 31, 2025 - $51,702) in a guaranteed investment certificate with a bank as collateral for a credit card facility agreement with a leading chartered bank in Canada. Amounts are held in restricted cash on the consolidated statement of financial position.

(Expressed in Canadian Dollars)

6. Other receivables

Other receivables include the following amounts.

	March 31, 2026 $	March 31, 2025 $
Other receivables	119	53,286
Sales tax receivable	6,753	147,447
Total	**6,872**	**200,733**

The Company estimated the expected credit loss on other receivables to be nominal during the year ended March 31, 2026 and March 31, 2025.

7. Loan receivable from GoldCoast Resources Corp.

On August 20, 2025, the Company signed a LOI with GoldCoast (Note 1) and agreed to advance $343,867 (US$250,000) subject to the terms and conditions of the Loan Agreement within 5 days of signing the LOI. Interest shall accrue on any outstanding amount at the rate of 10% per annum, payable upon maturity. During the year ended March 31, 2026, the Company recorded $20,371 interest income in its consolidated financial statements of net income (loss) and comprehensive income (loss). The loan will be secured pursuant to a general security agreement against all of the assets of GoldCoast. In the event that the Acquisition does not close, any amounts owing under the Loan shall be due and payable within 21 days of demand by the Company.

Subject to the terms and conditions of the LOI, if the amalgamation closes, the outstanding amount including all accrued and unpaid interest, shall be deemed satisfied and extinguished in full and shall no longer be repayable by GoldCoast. In consideration for such forgiveness, the Company shall receive an equity interest in the Resulting Issuer, as determined in accordance with the share conversion and exchange formula set out in the LOI which expressly accounts for the value of the outstanding amount being forgiven.

In the event that the amalgamation does not close by the earlier of (i) the closing date contemplates in the Definitive Agreement or (ii) July 31, 2026, the outstanding amount plus accrued interest shall be due and payable within 21 days of demand of the Company. If GoldCoast fails to pay the outstanding amount plus accrued interest by the due date, the Company shall have the right to convert the outstanding amount and accrued interest into that number of common shares of GoldCoast calculated at a price per share equal to the price of the last equity financing completed by GoldCoast prior to the date of the LOI, being US$0.057 per share.

8. 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 March 31, 2026	-	-	-	-	-	-	-
Accumulated Depreciation							
Opening Balance	8,836	146,266	185	25,466	18,877	30,506	230,136
Charge for the year	5,939	-	-	-	-	-	5,939

(Expressed in Canadian Dollars)

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 year	598	-	-	-	-	-	598
Disposals	(6,906)	-	-	-	-	-	(6,906)
Foreign exchange	(174)	-	-	-	-	-	(174)
At March 31, 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Carrying Value							
At March 31, 2025	**15,951**	**-**	**-**	**-**	**-**	**-**	**15,951**
At March 31, 2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**

9. 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 less any accumulated impairment losses. During the year ended March 31, 2026, management assessed the recoverable amount of the intangible asset and concluded that it was nil. Accordingly, the Company recognized an impairment loss of $12,381, reducing the carrying amount of the intangible asset to nil.

Intangible Assets	**$**
Cost:	
Opening Balance	25,212
Additions	-
At March 31, 2025	25,212
Additions	-
At March 31, 2026	25,212
Accumulated Amortization and impairment:	
Opening Balance	(7,790)
Charge for the year	(2,521)
At March 31, 2025	(10,311)
Charge for the year	(2,520)
Impairment loss	(12,381)
At March 31, 2026	(25,212)
Carrying amount:	
At March 31, 2025	**14,901**
At March 31, 2026	**-**

10. 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 net loss and comprehensive income (loss).

(Expressed in Canadian Dollars)

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 250 PsyLabs shares in two tranches. The first tranche PBM bought 125 shares in exchange for $345,300 (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 14).

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following amounts:

	March 31, 2026 $	March 31, 2025 $
Trade payables	1,082	399,066
Accrued liabilities	-	71,083
Provisions	136,155	305,926
Total	137,237	776,075

For the year ended March 31, 2026, the Company recognized total provisions amounting to $136,155 (March 31, 2025 - $305,926). These provisions reflect the Company's obligation to settle these amounts in the future. The provisions are based on the best estimate of the expenditures required to settle the present obligations at the reporting date.

12. 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 March 31, 2026, there were 15,638,267 (March 31, 2025 – 9,387,695) issued and outstanding Common Shares.

Common shares	2026		2025	
	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	250,572	111,136	87,280	158,670
Issuance of shares for debt settlement	-	-	26,667	6,000
Balance as at March 31,	15,638,267	22,537,858	9,387,695	21,826,722

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.

(Expressed in Canadian Dollars)

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 250,572 shares for the exercise of RSU's by various consultants of the Company. Upon exercise, amounts totalling $111,136 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.

Debt settlement

On March 14, 2025 the Company issued 26,667 shares debt in lieu of consulting fees to the value of $70,000. The shares issued were determined to have a fair value equal to $76,000 by reference to the trading price of the Company's shares on the date of settlement, resulting in a loss on settlement of debt totalling $6,000 recognized in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2025.

Stock Options

The changes in stock options outstanding during the years ended March 31, 2026 and March 31, 2025 are as follows:

	Year ended March 31, 2026	
	Number of options	Weighted average exercise price ($)
Outstanding, at beginning of year	403,936	1.35
Expired (i)	(272,492)	1.08
Options outstanding, ending	131,444	1.85
Options exercisable, ending	131,444	1.85

	Year ended March 31, 2025	
	Number of options	Weighted average exercise price ($)
Outstanding, at beginning of year	403,936	1.35
Options outstanding, ending	403,936	1.35
Options exercisable, ending	403,936	1.35

(i) On December 31, 2025, a total of 272,492 options expired unexercised. The options were granted on December 31, 2020 and November 14, 2023

(Expressed in Canadian Dollars)

The following stock options are outstanding at March 31, 2026:

Expiry date	Number of options outstanding	Exercise price $	Weight average remaining life (years)	Number of options exercisable
December 31, 2027	27,778	0.90	1.75	27,778
March 31, 2028	93,667	2.10	2.00	93,667
May 25, 2028	10,000	2.10	2.15	10,000
	131,445		1.97	131,445

During the year ended March 31, 2026, $0 (March 31, 2025 - $3,111) 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 income (loss) based on the vesting terms and forfeiture of the options.

Restricted stock units (RSUs)

The changes in RSUs outstanding during the years ended March 31, 2026 and March 31, 2025 are as follows:

	Year ended March 31, 2026
	Number of RSUs
Outstanding, at beginning of year	99,777
Issued during the year (i)(ii)	1,323,831
Exercised during year	(250,572)
RSUs outstanding, ending	1,173,036
RSUs exercisable, ending	1,173,036

	Year ended March 31, 2025
	Number of RSUs
Outstanding, at beginning of year	210,613
Issued during the year (iii)	(87,280)
Cancelled during year (i)	(23,556)
RSUs outstanding, ending	99,777
RSUs exercisable, ending	49,889

(i) On April 1, 2025, a total of 602,300 RSUs were issued to consultants of the Company.
(ii) On October 8, 2025, a total of 721,531 RSUs were issued to consultants of the Company.
(iii) During the year ended March 31, 2025, a total of 23,556 RSUs were forfeited due to the termination of services from consultants and an employee of the Company. In connection with the RSUs forfeited and cancelled, previous share-based payment expenses totaling $33,572 were reversed under professional fees and consulting fees and general and administrative expenses in the consolidated statements of net loss and comprehensive income (loss).

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

During the year ended March 31, 2026, $115,429 (March 31, 2025 - $91,570) was expensed and recorded as share-based compensation under professional fees and consulting fees and general and administrative in the consolidated statements of net loss and comprehensive income (loss) on the vesting of RSUs.

(Expressed in Canadian Dollars)

13. Non-controlling interest (NCI)

During the year ended March 31, 2026, the share of losses attributable to non-controlling shareholders was $807,956 (March 31, 2025 – of $369,981). 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. This resulted in the deconsolidation of PBM from the consolidated financial statements and the resulting loss on disposal of subsidiaries has been reflected in the consolidated statements of net loss and comprehensive income (loss). This resulted in the derecognition of NCI to the value of $7,445,938.

14. Disposal of PBM

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. This resulted in the deconsolidation of PBM from the consolidated financial statements and the resulting loss on disposal has been recorded in the consolidated statements of net income (loss) and comprehensive income (loss).

The following summarizes the sale date fair value of the consideration received and the net book value of the assets sold and liabilities transferred:

Consideration received	426,170
Carrying value of NCI derecognised	7,445,938
Foreign currency translation reserve	562,371
Net assets disposed:	
Cash and cash equivalents	(7,813,202)
Other receivables	(156,437)
Prepaids	(313,801)
Property and equipment	(14,735)
Investment in Psyence Labs Ltd	(1,157,618)
Accounts payable and accrued liabilities	434,988
Derivative warrant liabilities	299,284
Loss on disposal	(287,042)

15. Derivative warrant liabilities

The Company, through PBM had two classes of warrant liabilities outstanding: Public Warrants and Private Warrants. As of March 31, 2026, there were no warrants issued and outstanding (March 31, 2025 – 3,169 Public Warrants and 153 Private Warrants). Each warrant was exercisable to purchase one common share at a price of US$42,963.28 per share. Due to warrants having a cashless exercise feature, the warrants are treated as a liability.

During the year ended March 31, 2025, PBM entered into the Warrant Exchange Agreement. Pursuant to the Warrant Exchange Agreement, PBM issued to the Holder 117 PBM's common shares in exchange for the surrender and cancellation of 117 Public Warrants held by the Holder. The warrants exchange resulted in a loss of $257,474 (US$185,064) which was recorded in the consolidated statements of net loss and comprehensive income (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 years ended March 31, 2026 and March 31, 2025 have been recognized in the consolidated statements of loss and comprehensive income (loss).

Private Warrants: The Company estimated the fair value of the Private Warrants to be nominal, using a Black-Scholes options valuation model.

At March 31, 2026 and March 31, 2025 the fair value of the Public and Private Warrants was $nil and $287,658, respectively. For the year ended March 31, 2026, a fair value loss of $22,911 was recognized in the consolidated statements of net loss and comprehensive income (loss) (March 31, 2025- gain of $966,259).

16. PBM ELOC

On August 28, 2024, PBM entered into a US$25 million equity line of credit (ELOC) agreement with White Lion Capital, LLC, which was declared effective by the U.S. Securities and Exchange Commission (SEC). This agreement allowed PBM to sell up to US$25 million in shares over a 24-month period, subject to specific conditions outlined in the Purchase Agreement.

As part of the consideration for entering into the ELOC, PBM issued 543 PBM's common shares to White Lion at a fair value of $269,550 (US$187,500) as a commitment fee in the prior year.

During the year ended March 31, 2025, PBM issued 35,024 PBM's common shares for total consideration of $9,621,130 (US$6,692,495). PBM incurred $405,546 (US$282,100) in cash settled share issuance costs.

17. PBM's PIPE Financing - Private Placement and Warrants

Private placement

On December 24, 2024, PBM completed a private placement with HC Wainwright & Co., LLC ("HCW"), raising gross proceeds of $2,875,200 (US$2,000,000) through the issuance of:

- 7,629 PBM's common shares,
- 12,447 pre-funded warrants (each exercisable into one PBM's common share at a nominal exercise price), and
- 40,150 PBM's common share purchase warrants, comprising:
  - o 20,075 PBM warrants with an exercise price of US$99.63 per PBM's share and a 5-year term (expiring December 24, 2029), and
  - o 20,075 PBM warrants with an exercise price of US$99.63 per PBM share and a 2-year term (expiring December 24, 2026).

The proceeds were allocated between the common shares and the warrants based on their relative fair values on the date of issuance.

PBM incurred $370,829 (US$257,949) in cash settled share issuance costs

18. 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 year ended March 31, 2026 and March 31, 2025:

(Expressed in Canadian Dollars)

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	March 31, 2026	March 31, 2025
Short term benefits	103,735	573,071
Share-based compensation	99,004	68,311
Total	202,739	641,382

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

Balances

As at March 31, 2026, the Company held amounts totalling $0 (March 31, 2025 - $68,311) in accounts payable and accrued liabilities. These are amounts owing to key management personnel.

19. 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 March 31, 2026, 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 March 31, 2026:

(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	137,237	137,237	137,237	-
Total	137,237	137,237	137,237	-

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 $38,029 as at March 31, 202. (March 31, 2025 - $881,291)

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.

20. Loss per share

The calculation of basic and diluted (loss per common share for the year ended March 31, 2026 and March 31, 2025 was calculated as follows:

Earnings per share ($)	March 31, 2026	March 31, 2025
Basic and diluted loss per share:		
Net loss	(1,393,534)	(30,249)
Average number of common shares outstanding	14,895,225	9,337,033
Loss per share – basic and diluted	(0.09)	(0.00)

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 year ended March 31, 2025 and March 31, 2026.

(Expressed in Canadian Dollars)

21. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2025 – 26.5%) to the effective tax rate is as follows:

	2026	2025
Net Income/(Loss) before recovery of income taxes	(1,393,534)	(30,249)
Expected income tax (recovery)/expense	(369,287)	(8,016)
Difference in foreign tax rates	1,349	9,552
Non-taxable fair value gain adjustment	-	(2,396,195)
Non-deductible loss on loan settlement	-	745,821
Non-deductible loss on disposal of subsidiaries	76,066	-
Taxable capital gain on dispositions	-	50,886
Non-deductible share-based compensation	-	25,090
Share issue costs booked to equity	-	(68,680)
Other permanent expenses	56,676	164
Change in tax benefits not recognized	235,196	1,498,017
Income tax (recovery)/expense	-	-

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Unrecognized deductible temporary differences	2026	2025
Property and equipment	-	6,481
Restricted interest and financing expenses - Canada	-	1,098,753
Intangible assets	151,277	143,030
Share issuance cost and others	19,608	1,145,784
Non-capital losses carried forward-Canada	7,619,854	17,941,615
Non-capital losses carried forward-Australia	1,971,973	1,487,201
	9,762,712	21,822,864

Share issuance and financing costs will be fully amortized in 2028.

The Company's non-capital loss carry forwards will expire as noted in the table below, and the capital loss carries forward indefinitely:

Year of expiry	Canada
2041	263,430
2042	3,172,170
2043	3,143,543
2044	319,034
2045	35,012
2046	367,702
2047	268,113
Total	7,569,004

22. 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.

23. Subsequent Events

On April 23, 2026, the Company announced that it had entered into an amendment dated April 13, 2026 (the "Amendment") with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the lapse of time, resulting in a revised formula for the proposed consolidation of the common shares of the Company to be completed.

On May 21, 2026, the Company held its annual general and special meeting of shareholders. At the meeting, shareholders approved matter relating to the Company's previously announced proposed amalgamation transaction.

On July 17, 2026, the CSE informed GoldCoast that following an internal Listing Application review, the CSE approved the listing subject to the following conditions:

- Completion of the Amalgamation Agreement previously dated November 30, 2025 and amended on dates April 13, 2026 and July 20, 2026 as described in Listing Statement.
- Completion of any and all outstanding CSE application documentation and the payment of fees pursuant to the Policies.
- The approval is valid for maximum of six months.

On July 20, 2026, the Company entered an amendment with GoldCoast and Psyence Therapeutics Corp, to the previously announced amalgamation agreement dated November 21, 2025. The Amendment accounts for the replacing the closing date by deleting "May 31, 2026" with "July 31, 2026".