Management's Discussion and Analysis of

NervGen Pharma Corp.

(Expressed in Canadian Dollars)

For the three months ended March 31, 2019

Effective Date: May 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion is management's assessment and analysis of the results of operations and financial conditions of NervGen Pharma Corp. (the "Company" or "NervGen") and should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes thereto for the period ended March 31, 2019.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include continued availability of capital and financing, general economic, market or business conditions, and general risks involved in the early stage development of pharmaceutical products. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's:

- requirements for, and the ability to obtain, future funding on favorable terms or at all;
- business strategy;
- expected future loss and accumulated deficit levels;
- projected financial position and estimated cash burn rate;
- expectations about the timing of achieving milestones and the cost of the Company's development programs;
- observations and expectations regarding the effectiveness of its lead compound NVG-291 and the potential benefits to patients;
- expectations about the timing with respect to commencement of clinical trials;
- expectations about the Company's products safety and efficacy;
- expectations regarding the Company's ability to arrange for the manufacturing of the Company's products and technologies;
- expectations regarding the progress and successful and timely completion of the various stages of the regulatory approval process;
- ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- strategy to acquire and develop new products and technologies and to enhance the safety and efficacy of existing products and technologies;
- plans to market, sell and distribute the Company's products and technologies;
- expectations regarding the acceptance of the Company's products and technologies by the market;
- ability to retain and access appropriate staff, management, and expert advisers;
- expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by the Company or to the Company in respect of such arrangements; and
- strategy and ability with respect to the protection of the Company's intellectual property

all as further and more fully described under the section of this MD&A titled "Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities laws.

COMPANY OVERVIEW

NervGen Pharma Corp. is a private company incorporated on January 19, 2017 as 1104403 B.C. Ltd. under the *Business Corporations Act* (British Columbia). The name was changed to NervGen Pharma Corp. on November 15, 2017. The corporate office of the Company is Suite 1703, 595 Burrard Street, Vancouver, BC, V7X 1J1, Canada.

On June 25, 2018, the Company entered into an exclusive worldwide licensing agreement to research, develop and commercialize a patented technology with potential to bring new therapies for spinal cord injury and other conditions associated with nerve damage. The technology was developed in the laboratory of Dr. Jerry Silver, a leading spinal cord injury and regenerative medicine researcher at Case Western Reserve University. Dr. Silver's research has identified protein tyrosine phosphatase sigma ("PTPσ') as a key neural receptor which inhibits nerve regeneration through regions of scarring in spinal cord injury and other medical conditions. Targeted treatment against PTPσ with an agent known as Intracellular Sigma Peptide ("ISP") promoted regeneration of damaged nerves and functional improvement in animal models for various medical conditions. A series of receptor antagonists that can be delivered systemically have been identified including an analogue of ISP, NVG-291, that is structurally similar but slightly different in composition. NervGen is in the process of completing preclinical development of NVG-291 targeting completion of preclinical work by the end of 2019. The Company is targeting the initiation of human clinical trials in the first half of 2020 for the treatment of spinal cord injury while leveraging the technology to identify additional therapeutic candidates for other related medical conditions.

ACHIEVEMENTS & HIGHLIGHTS

- On March 13, 2019, the Company completed an initial public offering ("IPO") of its common shares and listed as a Tier 2 company on the TSX Venture Exchange ("TSX-V") under trading symbol "NGEN". The IPO consisted of the issuance of 10,000,000 common shares of the Company at a price of $1.00 per share for gross proceeds of $10,000,000.

- On April 1, 2019 the Company appointed Amy Franke as Vice President, Clinical Operations who joined from Covance Inc., where she was Senior Director, Strategy & Planning. Covance is a global contract research organization that has worked on all of the top 50 best-selling drugs available today. Ms. Franke's clinical development experience also includes time at the global CRO Parexel International Corp., Novella Clinical (a unit of IQVIA) and OSI Pharmaceuticals which was acquired by Astellas Pharma for $4 billion.

- Subsequent to the quarter-end, on April 24, 2019, the Company announced the issuance by the U.S. Patent and Trademark Office of two new patents protecting the development and commercialization of protein tyrosine phosphatase sigma (PTPσ) targeted therapies for heart diseases and injury, and for root avulsion involving injuries into the peripheral nerve system. Patent, US 10,206,967, entitled "Compositions and Methods for Treating Heart Diseases and/or Injury", includes claims covering both composition of matter and method of use for promoting and restoring innervation of myocardial tissue. It covers treatment of heart diseases and injury by administering a therapeutic agent, such as NVG-291, the intracellular sigma peptide ("ISP") and other related peptides, that inhibit the activity, signaling and/or function of the PTPσ receptor. In a mouse model of myocardial infarct, PTPσ targeted therapy was shown to induce regeneration of sympathetic nerve fibers into the scar, resulting in the cessation of arrhythmia. Patent, US 10,258,672, entitled "Compositions and Methods for Treating Root Avulsion". It includes claims covering composition of matter and method of use for treating root avulsion, which is a physical separation of the motor and/or sensory nerves from the spinal cord, leading to severe disruption of the root itself as well as the associated spinal cord segment. PTPσ targeted therapy has been shown in rodent models to induce axonal growth between the central nervous system and the peripheral nervous system with subsequent robust improvement in both motor and sensory functions.

- Subsequent to the quarter-end, on May 1, 2019, the Company closed a non-brokered private placement which consisted of the issuance of 350,000 shares at $1.00 each and 300,000 shares at $1.30 each for gross proceeds of $740,000.

- Subsequent to the quarter-end on May 3, 2019, the Company initiated trading of its shares on the U.S. over-the counter OTC QB, market under trading symbol "NGENF".

- Subsequent to the quarter-end on May 3, 2019 the Company announced the engagement of Toronto-based Independent Trading Group Inc. ("ITG"), Canada's only brokerage firm dedicated specifically to professional trading, to provide market making services to the Company in compliance with the policies of the TSX Venture Exchange and applicable legislation.

SELECTED FINANCIAL INFORMATION

	3 Months Ended March 31, 2019 $	3 Months Ended March 31, 2018 $
General and administration expenses	**907,718**	10,624
Research and development expenses	**2,115,852**	-
Net loss	**(3,021,547)**	(10,624)
Basic and diluted loss per share	**(0.16)**	(5,312)
Total assets	**9,757,009**	83,038
Total liabilities	**474,346**	105,477

The Company has not earned revenue other than income from interest earned on its cash balances.

For the three months ended March 31, 2019, the Company reported a net loss of $3,021,547 or $0.16 per share compared to a loss of $10,624 or $5,312 per share for the three months ended March 31, 2018. The increase in net loss in the current period is a result of increased legal and consulting fees associated with listing on the TSX-V exchange and OTCQB, as well as stock-based compensation expense for which there was no comparable expense in the same period in the previous year. General and administrative expenses also increased in the current period as a result of setting up operations and the employees and consultants necessary to execute on the Company's business plans following execution of the Company's license agreement with Case Western Reserve University on June 25, 2018. Research and development costs were incurred in the current period related to the pre-clinical development and manufacture of its lead compound NVG-291 and associated consulting. NervGen is working toward conducting a clinical trial for NVG-291, planned to begin in the first half of 2020 under an Investigational New Drug ("IND") application with the United States Food and Drug Administration (the "FDA").

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2019

General and Administrative Expenses

	Three Months Ended March 31, 2019 $	Three Months Ended March 31, 2018 $
Amortization of intangible asset	**9,555**	-
Facilities and operations	**103,881**	426
Legal, professional and finance	**172,851**	10,198
Salaries and benefits	**97,833**	-
Stock-based compensation	**511,596**	-
Other general and administrative	**12,002**	-
	907,718	10,624

General and administrative expenses of $907,718 were incurred during the three months ended March 31, 2019, compared with $10,624 during the three months ended March 31, 2018. The increase is attributed to professional, and consulting fees associated with the setup of the Company and execution of equity financings and listing fees. In addition, employees and consultants were added to implement the Company's business plans, resulting in an increase in consulting, salary, benefit costs and stock-based compensation in the current period.

Research and Development Expenses

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
	$	$
Pre-clinical development	**318,537**	-
Chemistry, manufacturing and controls	**1,474,750**	-
Licensing & patent legal fees	**6,605**	-
Clinical consulting	**51,791**	-
Salaries and benefits	**112,036**	-
Stock-based compensation	**122,357**	-
Other research and development	**29,776**	-
	2,115,852	-

Research and development expenses of $2,115,852 were incurred during the three months ended March 31, 2019. The expenses related primarily to the further development and manufacture of NVG-291 for use in pre-clinical testing, including toxicology studies and associated consulting fees. Employees and consultants were also added to execute the Company's business objectives, resulting in salary, benefits and stock-based compensation expenses. There was no comparable research and development spending during the three months ended March 31, 2018.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Mar. 31 2019	Dec. 31 2018	Sep. 30 2018	June 30 2018	Mar. 31 2018	Dec. 31 2017	Sep. 30 2017	June 30 2017
	$	$	$	$	$	$	$	$
General & administration	**907,718**	280,770	230,301	56,387	10,624	6,382	3,367	453
Research & development	**2,115,852**	487,198	285,240	7,963	-	-	-	-
Net loss	**(3,021,547)**	(767,969)	(515,541)	(64,350)	(10,624)	(6,382)	(3,367)	(453)
Basic & diluted loss per share	**(0.16)**	(0.04)	(0.04)	(0.04)	(5,312)	(3,190)	(1,683)	(227)
Total assets	**9,757,009**	3,097,387	3,724,565	1,232,790	83,320	83,249	50,970	31,446
Total liabilities	**474,346**	583,106	470,776	366,778	105,759	95,062	56,402	33,511

General and administrative expenses are higher in the current quarter compared with the same quarter in the prior year due to legal, accounting and related administrative activities associated with establishing an operating company, financings and listing fees, as well as stock-based compensation expenses. Research and development expenses are higher in the current quarter compared with the same quarter in the prior year, due to the development and manufacture of NVG-291, including toxicology studies and associated consulting and the addition of employees.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company devoted its resources to evaluating and securing intellectual property rights and licenses related to the PTPσ technology licensed from Case Western Reserve University on June 25, 2018 and has established the initial personnel and processes required to execute on its business plan. This has resulted in an accumulated deficit of $4,391,843 as of March 31, 2019. With current income only consisting of interest earned on excess cash, losses are expected to continue while the Company's research and development programs are advanced toward clinical development.

The Company does not earn any revenues from its drug candidates and is therefore considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or pursue non-dilutive funding sources available to the Company in the future. The continuation of its research and development activities and the commercialization of NVG-291 and other compounds is dependent upon the Company's ability to successfully finance and complete its research and development programs through equity financing and possibly revenues from strategic partners. The Company has no current sources of significant revenues from strategic partners.

On March 13, 2019, the Company completed its IPO and listed its common shares for trading on the TSX-V. The IPO consisted of the issuance of 10,000,000 common shares of the Company at a price of $1.00 per share for gross proceeds of $10,000,000. On May 1, 2019 the Company completed an additional non-brokered private placement of 650,000 common shares for gross proceeds of $740,000.

Management has forecasted that the Company will have sufficient working capital to meet its current committed expenditures for the next 12 months. However, there can be no assurance that the capital will be adequate to meet continuing expenditures or that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs.

CASH POSITION

At March 31, 2019, the Company had a cash balance of $9,098,909 compared to $2,474,340 at December 31, 2018. The funds expended of $2,556,407 were used (net of working capital changes and effects of foreign exchange) to fund operating expenditures as the Company increased its management team and engaged key consultants to further develop its PTPσ technologies.

The Company invests cash in excess of current operational requirements in highly rated and liquid instruments.

Working capital at March 31, 2019 was $8,744,389 (December 31, 2018: $2,100,682).

The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional expenses involved in commercializing its PTPσ technologies, including expenses related to drug discovery, preclinical testing, clinical trials, chemistry, manufacturing and controls ("CMC"), regulatory activities and operating expenses associated with supporting these activities. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company receive regulatory approval to commercialize any of its products under development and/or royalty or milestone revenue from any such products should they exceed its expenses.

CONTRACTUAL OBLIGATIONS

The Company enters into research, development and license agreements in the ordinary course of business where the Company receive research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which is uncertain. The frequency and value of the agreements entered have increased in the three months ended March 31, 2019 as the Company began to execute its business plan. We expect that these commitments will continue to increase in value.

Under the exclusive worldwide licensing agreement, with Case Western Reserve University to research, develop and commercialize patented technologies, the Company has commitments to pay various annual license fees, patent costs, milestone payments and royalties on revenues, contingent on the achievement of certain development and regulatory milestones. The Company cannot reasonably estimate future royalties which may be due upon the regulatory approval of products derived from licensed technologies.

Other than as disclosed below, the Company did not have any contractual obligations relating to long-term debt obligations, capital (finance) lease obligations, operating lease obligations, purchase obligations or other long-term liabilities reflected on its balance sheet as at March 31, 2019:

Anticipated Commitments	Under 1 Year	1-3 years	4-5 years	Total
	$	$	$	$
Patent licensing costs, minimum annual royalties per license agreements	237,207[(1)]	533,880[(2)]	2,068,785	2,839,872
Purchase obligations	1,678,388[(3)]	-	-	1,678,388

(1) $177,145 included in accounts payable at March 31, 2019.
(2) $13,630 included in accrued liabilities at March 31, 2019.
(3) $102,927 included in accrued liabilities at March 31, 2019.

The Company has agreed to reimburse certain past expenses incurred by Case Western Reserve in stages over a period of three years, subject to an acceleration clause, in addition to advance minimum royalty payments escalating over time. As of March 31, 2019, the binding portion of these obligations is $177,145.

The Company utilizes temporary office space with terms of less than one year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel, consisting of the Company's officers (Founder, President and Secretary) and directors, received the following compensation for the following periods:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
	$	$
William Radvak	**22,500**	-
Ernest Wong	**107,157**	-
Robert Pilz[(1)]	**52,950**	5,000
Earlston Management Corp[(2)]	**1,500**	-
	184,107	5,000

(1) The compensation paid to Robert Pilz was issued to a professional services company, Revelation Business Solutions Ltd., which is wholly-owned by Mr. Pilz.

(2) Brian E. Bayley, a director of the Company, is a director and the President of Earlston Management Corp.

In addition, the Company recognized $529,174 in share-based compensation expense pertaining to related parties for the three months ended March 31, 2019.

As at March 31, 2019, the Company had amounts owing to related parties of $52,044 (2018: $58,074) pertaining to rent, expense reimbursements, allowances and bonuses, and prepaid expenses of $23,625 related to consulting fees.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING FISCAL 2019

The Company has adopted new accounting standard IFRS 16 - Leases, effective for the Company's annual period beginning January 1, 2019. The adoption of IFRS 16 did not result in any changes to the Company's financial statements.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, with certain exemptions. The standard includes two recognition exemptions for lessees – leases of "low-value" assets and short-term leases with a lease term of 12 months or less. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees are also required to remeasure the lease liability upon the occurrence of certain events such as a change in lease term. The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies of the Company are described in note 2 of the audited consolidated financial statements for the year ended March 31, 2018 and available on SEDAR (www.sedar.com).

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Critical judgements in applying the Company's accounting policies are detailed in the audited consolidated financial statements for the year ended March 31, 2018 filed on SEDAR (www.sedar.com).

FINANCIAL INSTRUMENTS

(a) Fair Value

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**March 31 2019**	December 31 2018
		$	$
Cash	FVTPL	**9,098,909**	2,474,340
Receivables	Amortized cost	**53,985**	25,843
Prepaids	Amortized cost	**65,841**	49,375
Accounts payable and accrued liabilities	Amortized cost	**422,302**	390,802
Due to related parties	Amortized cost	**52,044**	58,074
License fee payable	Amortized cost	**-**	134,230

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The recorded amounts for accounts receivable, accounts payable and accrued liabilities and due to related parties, approximate their fair value due to their short-term nature.

(b) Financial risk management

The Company's risk exposures and the impact on the Company's consolidated financial instruments are summarized as follows. Its Board of Directors has the overall responsibility for the oversight of these risks and reviews its policies on an ongoing basis to ensure that these risks are appropriately managed.

i. Liquidity Risk
Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next ninety days. The Company is exposed to liquidity risk.

ii. Credit Risk
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only holding its cash with high-credit quality financial institutions in business and/or savings accounts.

iii. Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: Management has determined that the Company is not exposed to any significant interest rate risks.

(b) Foreign Currency Risk: The Company has identified its functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars and in US dollars. The Company purchases US dollars as needed to pay U.S. denominated expenses. The Company is exposed to currency risk from employee costs as well as the purchase of goods and services, primarily by its 100% owned US subsidiary, in the United States. Fluctuations in the U.S. dollar exchange rate could have a significant impact on the Company's results going forward. Assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in an increase or decrease in loss and comprehensive loss for the period ended March 31, 2019 of $731,000 (December 31, 2018: $61,000).

Balances in US dollars are as follows:

	March 31, 2019 ($ US)	December 31, 2018 ($ US)
Cash	**5,675,606**	814,638
Accounts payable and accrued liabilities	**(195,109)**	(367,211)
	5,480,497	447,427

(c) Managing capital

The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to grow its businesses.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue shares or issue debt (secured, unsecured, convertible and/or other types of available debt instruments).

There were no changes to the Company's capital management policy during the year. The Company is not subject to any externally imposed capital requirements.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following details the share capital structure as of the date of this MD&A.

	Common Shares Issued and Outstanding	**Common Share Purchase Warrants**	**Common Share Purchase Options**
Balance December 31 2017	2	-	-
Balance December 31 2018	17,201,659	-	350,000
Balance, May 23, 2019	**27,851,659**	**-**	**2,100,000**

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of materials fact of 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 was made, with respect to the period covered by these filings, and these financial statements together with the other financial

information included in these filings. The Board of Directors approved the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

RISKS AND UNCERTAINTIES

An investment in the common shares of NervGen ("Common Shares") involves a high degree of risk and should be considered speculative. An investment in the Common Shares should only be undertaken by those persons who can afford the total loss of their investment. Investors should carefully consider the risks and uncertainties set forth below, as well as other information described elsewhere in this MD&A. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to NervGen or that NervGen believes to be immaterial may also adversely affect NervGen's business. If any of the following risks occur, NervGen's business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment. Further, if NervGen fails to meet the expectations of the public market in any given period, the market price of NervGen's common shares could decline. NervGen operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of NervGen's control.

Please refer to its MD&A for the year ended December 31, 2018 for a complete discussion of risks and uncertainties.

- The Company has no sources of product revenue and will not be able to maintain operations and research and development without sufficient funding.
- The Company does not expect to generate positive cash flow from operations for the foreseeable future. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company receives regulatory approval to commercialize any of its products under development and/or royalty or milestone revenue from any such products should they exceed its expenses.
- The lead compound is in the pre-clinical development stage and, as a result, the Company is unable to predict whether the Company will be able to profitably commercialize it as a product.
- The Company is at an early stage of development. Significant additional investment will be necessary to complete the development of any of its products to approval.
- Its future success is dependent primarily on the regulatory approval of a single product.
- If the Company breaches any of the agreements under which the Company licenses rights to product candidates or technology from third parties, the Company can lose license rights that are important to its business. Its current license agreements may not provide an adequate remedy for breach by the licensor.
- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and its product candidates may not have favorable results in later trials or in the commercial setting.
- If the Company is unable to enroll subjects in clinical trials, the Company will be unable to complete these trials on a timely basis.
- The Company relies and will continue to rely on third parties to plan, conduct and monitor preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to its business.
- The Company relies on contract manufacturers over whom the Company have limited control. If the Company is subject to regulatory, quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, business operations could suffer significant harm.
- The Company relies on third parties for drug delivery technologies, software, catheters and other components over whom the Company has limited control. If the Company is subject to regulatory, quality, cost or delivery issues with materials supplied by third parties, its clinical trials could be significantly delayed.
- The Company is highly dependent upon certain key personnel and their loss could adversely affect its ability to achieve its business objectives.
- If its competitors develop and market products that are more effective than its existing product candidates or any products that the Company may develop, or obtain marketing approval before the Company does, its products may be rendered obsolete or uncompetitive.
- The Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates.
- Negative results from clinical trials or studies of others and adverse safety events involving the targets of its products may have an adverse impact on future commercialization efforts.
- The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources.
- The Company may not achieve its publicly announced milestones according to schedule, or at all.

- Changes in government regulations, although beyond its control, could have an adverse effect on its business.
- Its discovery and development processes involve use of hazardous and radioactive materials which may result in potential environmental exposure.
- If the Company is unable to successfully develop companion diagnostics or drug delivery technologies for its therapeutic product candidates, or experience significant delays in doing so, the Company may not achieve marketing approval or realize the full commercial potential of its therapeutic product candidates.
- Significant disruption in availability of key components for ongoing clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates.
- Its success depends upon its ability to protect its intellectual property and proprietary technology.
- Its potential involvement in intellectual property litigation could negatively affect its business.
- Its reliance on third parties requires us to share its trade secrets, which increases the possibility that a competitor will discover them.
- Product liability claims are an inherent risk of its business, and if its clinical trial and product liability insurance prove inadequate, product liability claims may harm its business.
- The Company will have significant additional future capital needs and there are uncertainties as to its ability to raise additional funding.
- Future sales or issuances of equity securities or the conversion of securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce earnings per share.
- The Company is subject to foreign exchange risk relating to the relative value of the United States dollar.
- Any failure to maintain an effective system of internal controls may result in material misstatements of its consolidated financial statements or cause us to fail to meet the reporting obligations or fail to prevent fraud; and in that case, shareholders could lose confidence in its financial reporting, which would harm the business and could negatively impact the price of its common shares.
- Any future profits will likely be used for the continued growth of the business and products and will not be used to pay dividends on the issued and outstanding shares.
- The market for shares in Canada is not stable or predictable and shareholder profits are not in the foreseeable future.
- The Company may pursue other business opportunities in order to develop its business and/or products.
- Generally, a litigation risk exists for any company that may compromise its ability to conduct its business.
- Its success depends on its ability to effectively manage its growth.
- The Company is likely a "passive foreign investment company," which may have adverse United States federal income tax consequences for United States shareholders.
- It may be difficult for non-Canadian investors to obtain and enforce judgments against us because of its Canadian incorporation and presence.

DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has implemented a system of internal controls that it believes adequately protects the assets of the Company and is appropriate for the nature of its business and the size of its operations. The internal control system was designed to provide reasonable assurance that all transactions are accurately recorded, that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our assets are safeguarded.

These internal controls include disclosure controls and procedures designed to ensure that information required to be disclosed by the Company is accumulated and communicated as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting means a process designed by or under the supervision of the Chief Executive Officer and the Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

As of March 31, 2019, the Company's management has assessed the effectiveness of our internal control over financial reporting and disclosure controls. Based on their evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that these controls and procedures are effective.

SUBSEQUENT EVENTS

Subsequent to March 31, 2019, the Company:

1. Closed a non-brokered private placement on May 1, 2019, which consisted of the issuance of 350,000 shares at $1.00 each and 300,000 shares at $1.30 each for gross proceeds of $740,000.

2. Initiated trading of its shares on the U.S. over-the counter OTC QB market, on May 3, 2019 under trading symbol “NGENF”.

OTHER INFORMATION

Additional information relating to the Company is available for viewing on the Company’s website at www.nervgen.com and under the Company’s profile on SEDAR at www.sedar.com.