Management's Discussion and Analysis of

NervGen Pharma Corp.

(Expressed in Canadian Dollars)

For the Three and Six Months Ended June 30, 2018

Effective Date: November 19, 2018

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 June 30, 2018.

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 implicated 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, and is ready for clinical development. NervGen plans to advance NVG-291 into the clinic for the treatment of spinal cord injury while leveraging the technology to identify additional therapeutic candidates for other related medical conditions.

Proposed Transaction

On September 30, 2018, the Company entered into an engagement letter with Haywood Securities Inc. ("Haywood"), to act as lead agent for the Company in connection with a planned initial public offering of common shares ("IPO") and concurrent listing of the common shares of the Company on the TSX Venture Exchange. The Company has committed to pay Haywood a corporate finance fee of $40,000 in cash as well as Haywood's legal fees and other disbursements, not to exceed $60,000 without approval by the Company. On successful completion of the IPO, Haywood would also be entitled to a cash fee equal to 7% of the gross proceeds from the sale, and agent compensation options entitling Haywood to purchase common shares of the Company equal to 7% of the common shares sold pursuant to the offering with an exercise price per agent compensation option, equal to the issue price. The agent compensation options will have a term of 24 months from the closing date.

ACHIEVEMENTS & HIGHLIGHTS
SELECTED FINANCIAL INFORMATION

	Six months ended June 30		Three months ended June 30	
	2018	2017	**2018**	2017
	$	**$**	**$**	$
General and administration expenses	**67,012**	2,065	**56,387**	453
Research and development expenses	**7,963**	-	**7,963**	-
Net loss	**(74,975)**	(2,065)	**(64,350)**	(453)
Basic and diluted loss per share	**(0.08)**	(1,032.50)	**(0.07)**	(226.64)
Total assets	**1,232,790**	31,446	**1,232,790**	31,446
Total liabilities	**366,778**	33,511	**366,778**	33,511

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

For the six months ended June 30, 2018, we reported a net loss of $74,975 or $0.08 per share compared to a loss of $2,065 or $1,032 per share for the six months ended June 30, 2017. For the three months ended June 30, 2018, we reported a net loss of $64,350 or $0.07 per share compared to a loss of $453 or $226 per share for the three months ended June 30, 2017. The increase in net loss in the three and six months ended June 30, 2018 compared with the three and six months ended June 30, 2017 is a result of increased legal and consulting fees associated with completing negotiations of the license with Case Western Reserve University, the setup of operations and the headcount necessary to begin to execute on the Company's business plans.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

	Six months ended June 30		Three months ended June 30	
	2018	2017	**2018**	2017
	$	$	**$**	$
Professional and consulting fees	**69,415**	1,471	**59,217**	-
Office and administration	**5,258**	594	**4,831**	453
Other	**302**	-	**302**	-
	74,975	**2,065**	**64,350**	453

Expenses of $74,975 were incurred during the six months ended June 30, 2018, compared with $2,065 during the six months ended June 30, 2017. In the three months ended June 30, 2018, expenses of $64,350 were incurred compared with $453 during the three months ended June 30, 2017. The increase is attributed primarily to professional and consulting fees associated with the setup of the organization and financings.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	June 30 2018	Mar. 31 2018	Dec. 31 2017	Sep. 30 2017	June 30 2017	Jan.19-Mar. 31 2017
	$	$	$	$	$	$
General & administration	**56,387**	10,625	6,382	3,367	453	1,612
Research & development	**7,963**	-	-	-	-	-
Net loss	**(64,350)**	(10,625)	(6,382)	(3,367)	(453)	(1,612)
Basic & diluted loss per share	**(0.04)**	(5,312)	(3,190)	(1,683)	(227)	(806)
Total assets	**1,232,790**	83,320	83,249	-	-	-
Total liabilities	**366,778**	105,759	95,062	56,402	33,511	11,612

General and administrative expenses are higher in the current quarters compared with the same quarters in the prior year due to legal, accounting and related administrative activities associated with establishing an operating company and financings.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company devoted its resources to evaluating and securing intellectual property rights and licenses related to the protein tyrosine phosphatase sigma (“PTPσ”) technology licensed from Case Western Reserve University on June 25, 2018, and has begun to establish the initial personnel and processes required to execute on its business plan. This has resulted in an accumulated deficit at $86,788 as of June 30, 2018. 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.

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 our 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.

Management has forecasted that the Company’s current level of cash will not be sufficient to execute its current planned expenditures for the next 12 months without further financing being obtained. The Company is currently in discussion with several potential investors and partners to provide additional funding. Management believes that it will complete one or more of these arrangements in sufficient time to continue to execute its planned expenditures. However, there can be no assurance that the capital will be available as necessary to meet these continuing expenditures, or if the capital is available, that it will be on terms acceptable to the Company. The issuance of common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance 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. As a result, there is a substantial doubt as to whether the Company will be able to continue as a going concern and realize its assets and pay its liabilities as they fall due.

CASH POSITION

At June 30, 2018, the Company had a cash balance of $745,416 compared to $Nil at December 31, 2017. We will invest cash in excess of current operational requirements in highly rated and liquid instruments. Working capital at June 30, 2018 was $510,590 (December 31, 2017: deficiency of $95,062).

The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses, 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 we receive regulatory approval to commercialize any of our products under development and/or royalty or milestone revenue from any such products should they exceed our expenses.

CONTRACTUAL OLBIGATIONS

The Company enters into research, development and license agreements in the ordinary course of business where we 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.

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, we 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 our balance sheet as at June 30, 2018:

	U.S. Dollar Payments Projected by Period			
Anticipated Commitments	**2018** **$**	**1-3 years** **$**	**4-5 years** **$**	**Total** **$**
Patent licensing costs, minimum annual royalties per license agreements	**69,000** (1)	578,000 (2)	1,550,000	2,197,000

(1) As at June 30, 2018, none of these amounts were paid; US$69,241 was included in accounts payable.
(2) As at June 30, 2018, US$44,241 was included in accounts payable and US$108,481 in long-term license fees payable

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 our 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:

	Six months ended June 30		**Three months ended June 30**	
	2018	2017	**2018**	2017
	$	$	**$**	$
William Radvak	**3,325**	-	**3,325**	-
Ernest Wong	**11,397**	-	**11,397**	-
Robert Pilz	**15,000**	25,266	**10,000**	15,266
	29,722	25,266	**24,722**	15,266

As at June 30, 2018, the Company had amounts owing to related parties of $11,626 (2017: $37,565) related to fees and expense reimbursements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies of the Company are described in note 2 of the audited financial statements for the year ended December 31, 2017.

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 financial statements for the year ended December 31, 2017.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING FISCAL 2018

The Company has adopted new accounting standard IFRS 9 - Financial Instruments, effective for the Company's annual period beginning January 1, 2018. The adoption of IFRS 9 did not result in any changes to the classification, measurement or carrying amounts of the Company's existing financial instruments on transition date.

The new standard brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 - Financial instruments: recognition and measurement. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value.

The Company continues to classify and measure its cash at fair value through profit or loss with changes in fair value recognized in profit or loss as they arise ("FVTPL"). Accounts receivables and dues to related parties are classified initially at FVTPL, and subsequently at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities and license fee payable are classified and measured as financial liabilities, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method.

ACCOUNTING STANDARDS ISSUED FOR ADOPTION IN FUTURE PERIODS

The following IFRS pronouncement has been issued but is not yet effective:

IFRS 16, Leases. In January 2016 the IASB issued IFRS 16 Leases ("IFRS 16") which requires lessees to recognize assets and liabilities for most leases on their statements of financial position. Lessees applying IFRS 16 will have a single accounting model for all leases, with certain exemptions. The new standard will be effective for annual periods beginning on or after January 1, 2019 with limited early application permitted. The Company believes that the adoption of this standard will not have a material impact on the financial statements.

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	**June 30 2018**	December 31 2017
		$	$
Cash	Amortized cost	**745,416**	-
Receivables	Amortized cost	**2,272**	-
Trade and other payables	Amortized cost	**366,778**	95,062
License Fee Payable	Amortized cost	**129,680**	-

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, and 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. Our Board of Directors has the overall responsibility for the oversight of these risks and reviews our policies on an ongoing basis to ensure that these risks are appropriately managed.

i. <u>Liquidity Risk</u>

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. <u>Credit Risk</u>

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. <u>Market Risk</u>

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) <u>Interest Rate Risk:</u> Management has determined that the Company is not exposed to any significant interest rate risks.

(b) <u>Foreign Currency Risk:</u> 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 three months ended June 30, 2018 of $30,000 (December 31, 2017: $Nil).

Balances in US dollars are as follows:

	June 30, 2018	December 31, 2017
	$	$
Cash	**3,722**	-
Accounts payable and accrued liabilities	**(234,893)**	-
	(231,171)	-

(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, January 19, 2017	2	-	-
Balance December 31 2017	2	-	-
Balance, November 19, 2018	**17,201,659**	**-**	**350,000**

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 our MD&A for the year ended December 31, 2017 for a complete discussion of risks and uncertainties.

- We have no sources of product revenue and will not be able to maintain operations and research and development without sufficient funding.
- The lead compound is in the pre-clinical development stage and, as a result, we are unable to predict whether we will be able to profitably commercialize it as a product.
- We are at an early stage of development. Significant additional investment will be necessary to complete the development of any of our products to approval.
- Our future success is dependent primarily on the regulatory approval of a single product.
- If we breach any of the agreements under which we license rights to product candidates or technology from third parties, we can lose license rights that are important to our business. Our 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 our product candidates may not have favorable results in later trials or in the commercial setting.
- If we are unable to enroll subjects in clinical trials, we will be unable to complete these trials on a timely basis.

- We rely 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 our business.
- We rely on contract manufacturers over whom we have limited control. If we are 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.
- We rely on third parties for drug delivery technologies, software, catheters and other components over whom we have limited control. If we are subject to regulatory, quality, cost or delivery issues with materials supplied by third parties, our clinical trials could be significantly delayed.
- We are highly dependent upon certain key personnel and their loss could adversely affect our ability to achieve our business objectives.
- If our competitors develop and market products that are more effective than our existing product candidates or any products that we may develop, or obtain marketing approval before we do, our products may be rendered obsolete or uncompetitive.
- We will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of our product candidates.
- Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on future commercialization efforts.
- We face the risk of product liability claims, which could exceed our insurance coverage and produce recalls, each of which could deplete cash resources.
- We may not achieve our publicly announced milestones according to schedule, or at all.
- Changes in government regulations, although beyond our control, could have an adverse effect on our business.
- Our discovery and development processes involve use of hazardous and radioactive materials which may result in potential environmental exposure.
- If we are unable to successfully develop companion diagnostics or drug delivery technologies for our therapeutic product candidates, or experience significant delays in doing so, we may not achieve marketing approval or realize the full commercial potential of our 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.
- Our success depends upon our ability to protect our intellectual property and proprietary technology.
- Our potential involvement in intellectual property litigation could negatively affect our business.
- Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.
- Product liability claims are an inherent risk of our business, and if our clinical trial and product liability insurance prove inadequate, product liability claims may harm our business.
- We will have significant additional future capital needs and there are uncertainties as to our 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.
- We are 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 our 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 our financial reporting, which would harm the business and could negatively impact the price of our 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.

- We may pursue other business opportunities in order to develop our business and/or products.
- Generally, a litigation risk exists for any company that may compromise its ability to conduct our business.
- Our success depends on our ability to effectively manage our growth.
- We are 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 our Canadian incorporation and presence.

SUBSEQUENT EVENTS

Subsequent to June 30, 2018, the Company:

- Board of directors voted to adopt a stock option plan and granted options to purchase 350,000 common shares of the Company to a director, an executive and two employees. All stock options are exercisable at a price of $0.50 and vest over varying periods of up to 3 years.

- Completed a non-brokered private placement through the issuance of 5,625,000 common shares at a price of $0.50 per share for gross cash proceeds of $2,812,500.

- Issued to Case Western Reserve an additional 162,659 common shares at a deemed value of $0.50 per share. This share issuance fulfilled the Company’s final requirement to issue anti-dilution shares to Case Western Reserve. No further anti-dilution shares are required to be issued under this or any other existing agreement.

- Entered into an engagement letter with Haywood Securities Inc. (“Haywood”), to act as lead agent for the Company in connection with a planned initial public offering of common shares (“IPO”) and concurrent listing of the common shares of the Company on the TSX Venture Exchange. The Company has committed to pay Haywood a corporate finance fee of $40,000 in cash as well as Haywood’s legal fees and other disbursements, not to exceed $60,000 without approval by the Company. On successful completion of the IPO, Haywood would also be entitled to a cash fee equal to 7% of the gross proceeds from the sale, and agent compensation options entitling Haywood to purchase common shares of the Company equal to 7% of the number of shares sold pursuant to the offering with an exercise price per agent compensation option, equal to the issue price. The agent compensation options will have a term of 24 months from the closing date.

OTHER INFORMATION

Additional information relating to the Company is available for viewing on the Company’s website at www.nervgenpharma.com.