Condensed consolidated interim financial statements of

NERVGEN PHARMA CORP.

(Expressed in Canadian Dollars - Unaudited)

For the three months ended March 31, 2024 and 2023

NERVGEN PHARMA CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

as at	**March 31, 2024**	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	**30,303,990**	11,659,544
Accounts receivable	**13,576**	250,209
Prepaids and deposits (Note 7)	**784,724**	605,733
	31,102,290	12,515,486
Non-current assets		
Property and equipment (Note 8)	**175,425**	199,782
Intangible assets (Note 9)	**506,804**	520,753
	682,229	720,535
	31,784,519	13,236,021
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 10, 11)	**3,445,461**	3,321,208
Warrant derivative (Note 12)	**9,338,000**	11,726,728
Current portion of lease liability (Note 8)	**92,967**	91,586
	12,876,428	15,139,522
Non-current liabilities		
Lease liability (Note 8)	**81,837**	105,604
	81,837	105,604
	12,958,265	15,245,126
Shareholders' Equity (Deficit)		
Common shares (Note 13)	**79,779,971**	58,931,527
Reserves (Note 14)	**19,544,729**	17,212,393
Deficit	**(80,498,446)**	(78,153,025)
	18,826,254	(2,009,105)
	31,784,519	13,236,021

Nature of business (Note 1)
Commitments (Note 15)
Subsequent events (Note 17)

Approved by the Board

/s/ Brian E. Bayley	Director	*/s/ Glenn A. Ives*	Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NERVGEN PHARMA CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	For the 3 Months Ended March 31, 2024	For the 3 Months Ended March 31, 2023
	$	$
Operating expenses		
Research and development (Note 16)	**2,972,114**	3,021,949
General and administrative (Note 16)	**1,997,437**	1,694,713
Total operating expenses	**4,969,551**	4,716,662
Interest income	**(102,949)**	(151,385)
Unrealized loss (gain) on warrant derivative (Note 12)	**(2,388,728)**	145,775
Foreign exchange gain	**(132,453)**	(2,009)
Net loss and comprehensive loss	**(2,345,421)**	(4,709,043)
Basic and diluted net loss per share	**(0.04)**	(0.08)
Weighted average common shares outstanding (Note 13)	**60,206,431**	58,959,616

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NERVGEN PHARMA CORP.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended March 31, 2024 $	Three Months Ended March 31, 2023 $
Operating Activities		
Net loss for the period	**(2,345,421)**	(4,709,043)
Items not involving cash:		
Amortization of intangible asset (Note 9)	**13,949**	10,437
Depreciation expense (Note 8)	**24,357**	24,317
Interest expense on lease liability (Note 8)	**2,846**	4,147
Stock-based compensation	**1,151,452**	736,779
Unrealized foreign exchange	**119,413**	18,255
Change in fair value of warrant derivative (Note 12)	**(2,388,728)**	145,775
Changes in non-cash working capital:		
Accounts receivable	**236,633**	(63,164)
Prepaid expenses	**(170,850)**	371,935
Accounts payable and accrued liabilities	**109,068**	(1,320,981)
	(3,247,281)	(4,781,543)
Investing Activities		
Disposition of equipment (Note 9)	**-**	2,548
	-	2,548
Financing Activities		
Repayment of lease liability (Note 8)	**(25,232)**	(25,232)
Gross proceeds from issuance of common shares (Note 13)	**23,011,788**	-
Share issue costs – cash (Note 13)	**(1,602,920)**	-
Option and warrant exercises (Note 14)	**620,460**	390.505
	22,004,096	365,273
Effect of foreign exchange on cash	**(112,369)**	(16,384)
Net increase (decrease) in cash and cash equivalents	**18,644,446**	(4,430,106)
Cash and cash equivalents, beginning of period	**11,659,544**	22,451,599
Cash and cash equivalents, end of period	**30,303,990**	18,021,493
Cash paid for interest and taxes	$ -	$ -
Non-cash transactions:		
Finder's/Broker's warrants	**187,139**	-
Fair value of options allocated to share capital	**475,093**	229,500
Fair value of warrants allocated to share capital	**-**	47,065

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NERVGEN PHARMA CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

(Unaudited)

	Common Shares				
	Number	Amount	Reserves	Deficit	Total
		$	$	$	$
Balance December 31, 2022	**58,779,076**	**57,411,705**	**11,820,280**	**(55,770,905)**	**13,461,080**
Warrant exercises (Note 14)	55,810	133,570	(47,065)	-	86,505
Option exercises (Note 14)	300,000	533,500	(229,500)	-	304,000
Stock-based compensation	-	-	736,779	-	736,779
Loss and comprehensive loss	-	-	-	(4,709,043)	(4,709,043)
Balance March 31, 2023	**59,134,886**	**58,078,775**	**12,280,494**	**(60,479,948)**	**9,879,321**
Balance December 31, 2023	**59,606,399**	**58,931,527**	**17,212,393**	**(78,153,025)**	**(2,009,105)**
Common share financings, net (Note 13)	9,792,250	19,940,030	1,468,838	-	21,408,868
Broker warrants (Note 13)	-	(187,139)	187,139	-	-
Option exercises (Note 14)	529,000	1,095,553	(475,093)	-	620,460
Stock-based compensation	-	-	1,151,452	-	1,151,452
Loss and comprehensive loss	-	-	-	(2,345,421)	(2,345,421)
Balance March 31, 2024	**69,927,649**	**79,779,971**	**19,544,729**	**(80,498,446)**	**18,826,254**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of business

NervGen Pharma Corp. (the "Company" or "NervGen") is a publicly traded company incorporated on January 19, 2017, under the Business Corporations Act (British Columbia). The corporate office of the Company is located at 112-970 Burrard Street, Unit 1290, Vancouver, BC, V6Z 2R4, Canada, and the registered office is located at 1133 Melville Street, Suite 3500, The Stack, Vancouver, BC, V6E 4E5, Canada.

NervGen's common shares trade on the TSX-V under the symbol "NGEN" and on the U.S. OTCQX® under the trading symbol "NGENF".

The Company has two wholly owned subsidiaries: NervGen US Inc. incorporated in the State of Delaware on June 11, 2018, and NervGen Australia Pty Ltd. registered in Queensland on December 8, 2020.

The Company's principal business activity is the discovery, development and commercialization of pharmaceutical treatments that enable the nervous system to repair itself following damage, whether due to injury or disease. NervGen's initial target indication is spinal cord injury ("SCI").

2. Basis of presentation

a) Basis of measurement and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' (IAS 34) using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended December 31, 2023. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting and Interpretations Committee ("IFRIC").

The condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

The condensed consolidated interim financial statements were approved by the Company's Board of Directors and authorized for issue on May 15, 2024.

b) Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with accounting principles applicable to a going concern using the historical cost basis.

The Company is in pre-revenue stage and no revenues are expected in the foreseeable future. The Company's future operations are dependent on the success of the Company's ongoing development, as well as its ability to secure additional financing as needed. Management has forecasted that the existing working capital is sufficient to operate the Company for the ensuing 12 months from the issuance of these financial statements. The Company will need to raise additional capital to fund its long-term operations and research and development plans including human clinical trials for its various drug candidates until it generates revenue that reaches a level sufficient to provide self-sustaining cash flows. While the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing, or that such financing will be on terms acceptable to the Company, to meet future operational needs which may result in the delay, reduction, or discontinuation of ongoing development programs.

These condensed consolidated interim financial statements do not reflect the 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 settle its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed consolidated interim financial statements. Such amounts could be material.

2. Basis of presentation cont'd

c) Principles of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries NervGen US Inc. and NervGen Australia Pty Ltd. The subsidiaries are fully consolidated from the date at which control is determined to have occurred and are deconsolidated from the date that the Company no longer controls the entity. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated.

d) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of NervGen and its subsidiaries is the Canadian dollar.

e) Significant accounting judgements, estimates and assumptions

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

The condensed consolidated interim financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are accounted for prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty, as of the date of the condensed consolidated interim statement of financial position, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next fiscal year arise in connection with valuation of intangible assets, recognition of government assistance, valuation of warrant derivative, deferred tax, stock-based compensation, contingent repayment of grant funding and the determination of the functional currency of the Company.

3. Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in our audited consolidated financial statements for the year ended December 31, 2023.

4. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company has one reportable operating segment being the research and development of pharmaceutical drugs. The Company's intangible assets are registered in the U.S., and as at March 31, 2024, the Company had other current assets of approximately US$8,417,000, CA$11,397,000 (December 31, 2023 - US$4,850,000, CA$6,424,000), in the U.S. As of March 31, 2024, the Company also had other current assets of approximately AUS$395,000, CA$348,000 (December 31, 2023 - AUS$464,000, CA$418,000) held in Australia. All other assets are held in Canada.

5. Capital disclosures

The Company defines its capital as share capital, warrants, retention securities and options. 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.

5. Capital disclosures cont'd

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).

On August 12, 2022, we renewed our short form base shelf prospectus (the "Base Shelf") that qualifies for distribution of up to $100,000,000 of common shares, debt securities, subscription receipts, warrants and units comprised of one or more of the other securities described. Under our Base Shelf, we may sell securities to or through underwriters, dealers, placement agents, or other intermediaries, and also may sell securities directly to purchasers or through agents, subject to obtaining any applicable exemption from registration requirements. The distribution of securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be subject to change, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying prospectus supplement.

Renewing our Base Shelf provides us with additional flexibility when managing our cash resources as, under certain circumstances, it shortens the time period required to close a financing and is expected to increase the number of potential investors that may be prepared to invest in our company. Our renewed Base Shelf will be effective until September 12, 2024.

There were no changes to the Company's capital management policy during the three months ended March 31, 2024. The Company is not subject to any externally imposed capital requirements.

6. Financial risk management

(a) Fair value

The Company's financial instruments recognized on the condensed consolidated interim statements of financial position consist of cash and cash equivalents, accounts receivable, warrant derivative, accounts payable and accrued liabilities. The fair value of these instruments approximate their carrying values due to their short-term maturity.

(b) Classification of financial instruments

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 marketplace.

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

Cash and cash equivalents are measured at fair value using Level 1 as the basis for measurement in the fair value. The recorded amounts for accounts receivable, deposits, accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. In July 2022, the Company issued common share purchase warrants with an exercise price denominated in a currency that differs from our functional currency, which were treated as a derivative measured at fair value with subsequent changes in fair value accounted for through the condensed consolidated interim statements of loss and comprehensive loss. The fair value of the warrant derivative recognized on the condensed consolidated interim statements of financial position is based on level 2 inputs (significant observable inputs) as these warrants have not been listed on an exchange and therefore do not trade on an active market. As at March 31, 2024, the fair value of our non-cash warrant derivative was $9,338,000 (December 31, 2023 - $11,726,728). The Company uses the Black-Scholes

6. Financial risk management cont'd

valuation model to estimate fair value. The expected volatility is based on the Company's common share historical volatility, the risk-free interest rate is based on Bank of Canada benchmark treasury yield rates and the expected life represents the estimated length of time the warrants are expected to remain outstanding.

The Company has exposure to the following risks from its use of financial instruments: credit, interest rate, currency and liquidity risk. The Company reviews its risk management framework on a quarterly basis and makes adjustments as necessary. There have been no significant changes in these risk exposures compared to December 31, 2023.

(c) Credit risk

Credit risk is the risk of potential loss if a counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk is primarily attributable to our liquid financial assets, including cash and cash equivalents, receivables, deposits, and balances receivable from the government. We limit the exposure to credit risk in our cash and cash equivalents by only holding our cash and cash equivalents with high-credit quality financial institutions in business and/or savings accounts.

(d) Interest rate risk

Management has determined that we are not exposed to any significant interest rate risks.

(e) Liquidity risk

Liquidity risk is the risk that we will not have the resources to meet our obligations as they fall due. We manage this risk by closely monitoring cash forecasts and managing resources to ensure that we will have sufficient liquidity to meet our obligations. All of our financial liabilities other than the portion of our lease liability that is due beyond one year are classified as current and the majority, other than the non-cash warrant derivative, are anticipated to mature within the next ninety days. We are exposed to liquidity risk other than for the warrant derivative which is non-cash.

(f) Currency risk

We have identified our functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars, U.S. dollars and in Australian dollars. Fluctuations in the U.S. or Australian dollar exchange rate could have a significant impact on the Company's results. 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 March 31, 2024, of $996,000 (March 31, 2023 - $987,000). A 10% depreciation or appreciation of the Canadian dollar against the Australian dollar would result in an increase or decrease in loss and comprehensive loss for the three months ended March 31, 2024, of $90,000 (March 31, 2023 - $20,000).

In the near-term, we mitigate overall currency risk through of the use of U.S. dollar denominated cash balances to pay forecasted U.S. denominated expenses. In the long-term, we are exposed to net currency risk from employee costs as well as the purchase of goods and services in the United States and Australia.

Balances in U.S. dollars are as follows:

	March 31, 2024 US$	December 31, 2023 US$
Cash	**8,082,847**	4,715,776
Vendor deposits	**411,140**	264,827
Accounts payable and accrued liabilities	**(1,136,241)**	(1,049,575)
	7,357,746	3,931,028

6. Financial risk management cont'd

Balances in Australian dollars are as follows:

	March 31, 2024 $AUD	December 31, 2023 $AUD
Cash	**393,989**	474,543
Accounts receivable	**1,131**	-
Accounts payable and accrued liabilities	**(1,417,989)**	(1,425,997)
	(1,022,869)	(951,454)

7. Prepaids and deposits

	March 31, 2024 $	December 31, 2023 $
Prepaid insurance	**59,121**	64,893
Prepaid membership fees	**29,460**	41,771
Prepaid listing fees	**47,021**	36,977
Prepaid software	**55,250**	74,088
Vendor deposits	**593,872**	388,004
	784,724	605,733

8. Property, equipment and lease liability

The carrying amounts of the Company's right-of-use assets, lease liabilities, equipment and movements during the three months ended March 31, 2024, were as follows:

	Right-of-Use Asset $	**Equipment $**	**Total $**
Balance December 31, 2023	**187,418**	**12,364**	**199,782**
Depreciation	(22,490)	(1,867)	**(24,357)**
Balance, March 31, 2024	**164,928**	**10,497**	**175,425**

	Lease Liability $
Balance December 31, 2023	**197,190**
Lease payments	(25,232)
Lease interest	2,846
Balance, March 31, 2024	**174,804**
Current portion	(92,967)
Non-current portion	**81,837**

For the three months ended March 31, 2024, the Company recorded $21,426 in rent expense (March 31, 2023 - $20,692) related to variable lease payments and $52,489 in real estate fees, commissions and administrative charges (March 31, 2023 - $nil) pertaining to the sub-sublease (Note 17).

As at March 31, 2024, the maturity of the Company's lease liability was as follows:

Within 1 year	92,967
1 to 2 years	81,837
Total lease liability	**174,804**

(Expressed in Canadian Dollars)

9. Intangible asset

In June 2018, the Company entered into an exclusive worldwide licensing agreement to research, develop and commercialize a patented technology, with Case Western Reserve University ("CWRU") in Cleveland, Ohio with potential to bring new therapies for spinal cord injury and other conditions associated with nerve damage.

The license costs are being amortized on a straight-line basis over the remaining life of the licensed patent which was 15 years at the time of licensing.

Continuity of the intangible asset is as follows:

Intangible asset – Case Western Reserve license	Total $
Balance, December 31, 2023	**520,753**
Amortization expense	(13,949)
Balance, March 31, 2024	**506,804**

Under the exclusive worldwide licensing agreement with CWRU 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 future royalties which may be due upon the regulatory approval of products derived from licensed technologies cannot be reasonably estimated. Annual minimum royalty payments are expensed whereas milestone payments related to the cost of the intangible asset are capitalized, as incurred.

As at March 31, 2024, the Company is obligated to pay the following:

- An annual minimum royalty of US$50,000 per year.
- Project milestones payable based on the achievement of future clinical development milestones, estimated to total US$1,750,000.

10. Accounts payable and accrued liabilities

	March 31, 2024 **$**	December 31, 2023 $
Accounts payable	**802,867**	550,401
Accrued liabilities	**2,220,663**	2,332,223
Amount owing to key management personnel (Note 11)	**421,931**	438,584
	3,445,461	3,321,208

11. Key management personnel

Key management personnel, consisting of the Company's Board of Directors and Corporate Officers, received the following compensation for the following periods:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	$	$
Stock-based compensation	**991,144**	511,227
Salaries and bonuses	**638,246**	343,360
Consulting fees	**-**	93,853
	1,629,390	948,440

(Expressed in Canadian Dollars)

11. Key management personnel cont'd

As at March 31, 2024, the Company had amounts owing or accrued to key management personnel of $421,931 (December 31, 2023 - $438,584) pertaining to expense reimbursements, accrued bonuses, and accrued vacation.

12. Warrant derivative

On July 13, 2022, pursuant to a non-brokered private placement, 10,150,000 units were sold at a purchase price of US$1.50 per unit for gross proceeds of US$15,225,000 (CA$19,783,500). Each unit included one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of US$1.75 per common share until July 13, 2027. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

A reconciliation of the change in fair value of the warrant derivative is as follows:

	Fair Value of Warrant Derivative $
Balance, December 31, 2023	**11,726,728**
Change in fair value of warrant derivative	(2,388,728)
Balance, March 31, 2024	**9,338,000**

The estimated fair value of the warrant derivative was determined using the Black-Scholes valuation model using the following assumptions:

	March 31, 2024	December 31, 2023
Risk-free interest rate	3.64%	3.17%
Expected warrant life in years	3.28 years	3.53 years
Expected stock price volatility	153.17%	147.69%
Dividend yield	-	-
Warrants outstanding	5,075,000	5,075,000

13. Share capital

Authorized

Unlimited common shares.

Equity Issuances

Fiscal 2024

During the three months ended March 31, 2024, 529,000 options were exercised for cash proceeds of $620,460. In addition to the cash proceeds received, the original fair value related to these options of $475,093, were transferred from reserves to share capital.

The Company also closed a bought deal financing of 9,792,250 units at a price of $2.35 per unit, for aggregate gross proceeds of $23,011,788. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $3.00 per common share until March 28, 2027. The warrants were attributed a value of $1,468,838 using the residual value valuation methodology which was allocated to reserves. The Company also paid a cash commission of $1,090,152 to the underwriters and issued 170,127 broker warrants exercisable into one common share per broker warrant at a price of $2.35 per common share until March 28, 2026 with a fair value of $187,139 using the Black-Scholes option pricing model. The Company also incurred $512,767 in other share issue costs related to legal and listing fees.

(Expressed in Canadian Dollars)

13. Share capital cont'd

Fiscal 2023

During the three months ended March 31, 2023, 300,000 options were exercised for cash proceeds of $304,000 and 55,810 warrants were exercised for cash proceeds of $86,505. In addition to the cash proceeds received, the original fair value related to these options and warrants of $229,500 and $47,065 respectively, were transferred from reserves to share capital.

Calculation of loss per share

Loss per common share is calculated using the weighted average number of common shares outstanding.

For the three months ended March 31, 2024 and 2023 the calculation was as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Common shares issued and outstanding, beginning of period	**59,606,399**	58,779,076
Shares issued	**10,321,250**	355,810
Common shares issued and outstanding, end of period	**69,927,649**	59,134,886
Weighted average shares outstanding - basic and diluted, end of period	**60,206,431**	58,959,616

14. Stock options, retention securities and warrants

Stock Options and Retention Securities:

Stock option transactions for the three months ended March 31, 2024 are set forth below:

	Number of shares issuable under options	**Weighted average exercise price $**
Balance outstanding at December 31, 2023	**10.545,500**	**1.91**
Granted	573,200	3.48
Exercised	(529,000)	1.17
Forfeited/Expired	(89,000)	2.03
Balance outstanding at March 31, 2024	**10,500,700**	**2.03**

The following table summarizes information about stock options outstanding at March 31, 2024:

Exercise Price ($)	**Number of Options Outstanding**	**Weighted average remaining contractual life (Years)**	**Weighted average exercise Price ($)**	**Number of Options Exercisable**	**Weighted average remaining contractual life (Years)**	**Weighted average exercise Price ($)**
1.01-1.50	242,000	4.83	1.19	242,000	4.83	1.19
1.51-2.00	7,224,500	6.58	1.76	4,522,500	5.36	1.74
2.01-2.50	1,271,000	3.20	2.14	1,271,000	3.20	2.14
2.51-3.00	390,000	4.04	2.84	390,000	4.04	2.84
3.01-3.50	1,373,200	7.57	3.28	800,000	5.90	3.13
	10,500,700	**6.17**	**2.03**	**7,225,500**	**4.95**	**2.00**

The Company has granted 590,000 retention securities to its President and Chief Executive Officer in connection with his appointment on April 10, 2023. Each retention security is exercisable into one common share at a price of $1.78 per share for a period of 10 years and the retention securities vest equally every month over a three-year period. The weighted average remaining contractual life of the retention securities is 9.03 years and 180,278 securities were exercisable as at March 31, 2024.

(Expressed in Canadian Dollars)

14. Stock options, retention securities and warrants cont'd

The retention securities were granted outside of the Company's stock option plan, as an inducement grant to the President and Chief Executive Officer of the Company pursuant to Section 6.4 of TSX Venture Exchange Policy 4.4.

The fair value of options and retention securities granted is calculated on the grant date using the Black-Scholes option pricing model using the following assumptions:

	March 31, 2024	March 31, 2023
Risk-free interest rate	3.58%	3.37-3.59%
Expected term in years	10 years	5-10 years
Expected stock price volatility	152.12%	136.44%
Dividend yield	-	-

Warrants:

Warrant transactions for the three months ended March 31, 2024 are set forth below:

	Number of shares issuable under warrants	Weighted average exercise price US$	Weighted average exercise price $
Balance outstanding at December 31, 2023	**5,075,000**	**1.75**	**2.37**
Issued	5,066,250		2.98
Balance outstanding at March 31, 2024	**10,141,250**		**2.67**

The following table summarizes information about warrants outstanding at March 31, 2024:

Exercise Price ($)	Number of Warrants Outstanding	Grant Date	Expiry Date
US 1.75	5,075,000	July 13, 2022	July 13, 2027
3.00	4,896,123	March 28, 2024	March 28, 2027
2.35	170,127	March 28, 2024	March 28, 2026
	10,141,250		

15. Commitments

In the normal course of business, the Company enters into contracts for the procurement of research and related services. These contracts are typically cancellable by the Company with notice.

In June 2023, the Company was awarded a grant of up to US$3.18 million (CA$4.22 million) to support the Company's Phase 1b/2a clinical trial in individuals with SCI. In connection with the grant, the Company agreed to pay a percentage of the Company's net annual sales revenue of NVG-291 or any derivative approved in SCI through the provision of an unrestricted donation to the granting entity in the amount of up to the total funds received through the agreement. Any donation that may become due under the agreement is dependent on, among other factors, the successful development and sale of a new drug, the outcome and timing of which is uncertain. As at March 31, 2024, we had achieved three of the five milestones in the grant and received US$1.92 million (CA$2.61 million). The grant funding received was recorded as a reduction of the related clinical and regulatory expenses, included in research and development expenses, in the period the milestone was received.

(Expressed in Canadian Dollars)

16. Nature of expenses

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	$	$
Research and Development Expenses		
Amortization of intangible asset	**13,949**	10,437
Preclinical development	**183,805**	307,720
Chemistry, manufacturing and controls	**434,920**	273,362
Licensing and patent legal fees	**140,000**	118,433
Clinical and regulatory	**991,926**	1,325,706
Salaries and benefits	**758,812**	741,118
Stock-based compensation	**292,867**	185,765
Other research and development	**155,835**	59,408
	2,972,114	3,021,949

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	$	$
General and Administrative Expenses		
Depreciation expense	**24,357**	24,316
Legal, professional and finance	**144,839**	250,032
Investor and public relations	**230,884**	378,105
Salaries and benefits	**560,334**	251,330
Stock-based compensation	**858,585**	551,014
Other general and administrative	**178,438**	239,916
	1,997,437	1,694,713

17. Subsequent events

Subsequent to March 31, 2024, the Company entered into a sub-sublease pursuant to which we have agreed to sub-sublease our head office for a term of one (1) year, nine (9) months less two (2) days, commencing on June 1, 2024 and expiring on February 26, 2026 (the remaining term of our sublease). The sub-subtenant will pay base rent plus property taxes and operating expenses, equal to the amount owed by the Company under the sublease.