Management's Discussion and Analysis of

NervGen Pharma Corp.

(Expressed in Canadian Dollars)

For the three and nine months ended September 30, 2019

Effective Date: November 25, 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 September 30, 2019.

All financial information in this Management's Discussion and Analysis ("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 and duration 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;
- ability to secure in a timely manner the services of contract research and manufacturing organizations;
- expectations regarding the progress and successful and timely completion of the various stages of the regulatory approval process;
- ability to secure strategic partnerships with pharmaceutical and biotechnology companies;
- strategy to acquire and develop new products and technologies and to enhance the safety, pharmacokinetics, chemical and pharmacological properties and efficacy of existing products and technologies;
- plans to market, sell and distribute the Company's products and technologies;
- expectations regarding the use of the Company's products and technologies in treating diseases and medical disorders;
- 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.

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant medical, scientific, business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, we have made various material assumptions, including but not limited to:

- the Company being able to obtain financing on acceptable terms;
- additional sources of funding, including grants and funding from partners;
- our ability to attract and retain skilled staff;
- favorable general business and economic conditions;
- future research and development plans for the Company proceeding substantially as currently envisioned;
- our ability to obtain positive results from our research and development activities, including clinical trials;
- future expenditures to be incurred by the Company;
- research and development and operating costs;
- the Company's ability to find partners in the pharmaceutical industry;
- the products and technology offered by our competitors;
- the impact of competition on the Company;
- our ability to identify a product candidate;
- our ability to obtain regulatory and other approvals to commence a clinical trial involving future product candidates;
- our ability to successfully out-license or sell our future products, if any, and in-license and develop new products;
- our ability to protect patents and proprietary rights, and
- expected research and development tax credits.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined herein under the heading "Risk Factors and Uncertainties". You should also consider the risk factors and uncertainties set forth under the heading "Risks Factors and Uncertainties" in our Management Discussion and Analysis for the year ended December 31, 2018 and the period from incorporation on January 19, 2017 to December 31, 2017. Certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to, the risks and uncertainties related to the fact that:

- the Company has no sources of product revenue and will not be able to maintain operations and research and development without significant additional funding which it may not be ability to obtain on favorable terms or at all;
- the Company may not achieve its publicly announced milestones according to schedule, or at all;
- the Company is highly dependent upon certain key personnel and their loss could adversely affect its ability to achieve its business objectives;
- if the Company breaches any of the agreements under which it licenses rights to product candidates or technology from third parties, it can lose license rights that are important to its business;
- the Company's future success is dependent primarily on the regulatory approval of a single product;
- the Company's drug candidates are in preclinical development and, as a result, the Company cannot predict whether it will be able to profitably commercialize its product;
- preclinical and 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 the Company's 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, it will be unable to complete these trials on a timely basis;
- significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates;
- the Company relies on contract manufacturers over whom the Company has limited control and if the Company is unable to secure drug supply from its contract manufacturers, it may result in delays in preclinical and clinical drug development timelines;
- 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 the Company's business;
- if the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before it does, its products may be rendered obsolete or uncompetitive;
- the Company will be subject to extensive government regulation that may increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates;

- the Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on the Company's business;
- 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's 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 biomarkers 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;
- the Company's success depends upon its ability to protect its intellectual property and its proprietary technology;
- the Company's potential involvement in intellectual property litigation could negatively affect its business;
- the Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them;
- the Company will have significant additional future capital needs and there is uncertainty 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 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 the Company's business;
- the Company's 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 the Company because of the company's Canadian incorporation and presence;
- significant disruptions of information technology systems or security breaches could adversely affect the Company's business;
- the price of the Company's Common Shares has experienced volatility and may be subject to fluctuation in the future based on market conditions;
- the Company's competitors could develop alternative methods for targeting PTPσ neural receptor;
- the Company's products or technologies may need to be used in combination with third party technologies or products;
- the Company could be adversely impacted by unauthorized actions or the distribution of inaccurate information.
- the Company's shareholders may experience significant dilution from future sales of our securities;
- the Company never paid dividends on its Common Shares, and does not anticipate paying dividends in the foreseeable future;
- there is no assurance of a sufficient liquid market for the Company's Common Shares in the future;
- the Company will have broad discretion over the use of the net proceeds of an offering of the Company's securities and the Company may not use these proceeds in a manner desired by the Company's shareholders;
- there is currently no market through which the Company's securities, other than its Common Shares, may be sold; and
- the debt securities will be unsecured and will rank equally in right of payment with all of the Company's unsecured.

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 is a publicly traded 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 necessary for filing an investigational new drug application, with completion of preclinical work expected by the end of 2019. Subject to additional funding, the Company plans to initiate a Phase 1 human clinical trial on healthy subjects in early 2020 and expansion of that trial in the second half of 2020 to include a cohort of spinal cord injury patients. In addition, NervGen has plans to commence a Phase 2 multiple sclerosis clinical trial in early 2021. The Company has also initiated a preclinical research and development program to determine if its technology could have a positive effect on Alzheimer's disease. These three indications represent a significant market opportunity due to the high cost burden to the health care system and the dramatic impact on quality of life. The Company is also identifying additional therapeutic candidates for other medical conditions involving nerve damage.

ACHIEVEMENTS & HIGHLIGHTS

The following are the achievements and highlights for the nine months ending September 30, 2019 through to the date hereof:

- On March 13, 2019, 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, 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 contract research organization Parexel International Corp., Novella Clinical (a unit of IQVIA) and OSI Pharmaceuticals, which was acquired by Astellas Pharma for $4 billion.

- On April 24, 2019, announced the issuance by the U.S. Patent and Trademark Office of two new patents protecting the development and commercialization of PTPσ targeted therapies for heart diseases and injury, and for root avulsion involving injuries into the peripheral nerve system.

- On May 1, 2019, closed a non-brokered private placement which consisted of the issuance of 350,000 shares at a price of $1.00 per share and 300,000 shares at a price of $1.30 per share for gross proceeds of $740,000.

- On May 3, 2019, initiated trading of its shares on the U.S. over-the counter market, OTCQB®, under trading symbol "NGENF" and were subsequently uplisted to the OTCQX® on June 10, 2019.

- On May 3, 2019, announced the engagement of Toronto-based Independent Trading Group Inc. ("ITG"), a brokerage firm dedicated specifically to professional trading, to provide market making services to the Company.

- On May 30, 2019, appointed Denis Bosc, PhD, as the Company's Vice President, Chemistry, Manufacturing and Control ("CMC). Dr. Bosc brings over 15 years of drug substance and drug product manufacturing experience, a strong operational foundation working with various contract development and manufacturing organizations, and a deep understanding of Good Manufacturing Practice ("GMP") requirements.

- On May 30, 2019, engaged Paul Brennan, a veteran pharmaceutical licensing and product planning professional with over 30 years global experience in the biotechnology and pharmaceutical industries, to advise on strategy and business development.

- On June 3, 2019, engaged San Diego-based Torrey Hills Capital, Inc. ("Torrey Hills Capital") to provide market awareness and investor relations services to the Company.

- On June 26, 2019, announced that in addition to applying its proprietary platform drug technology to spinal cord injury, it is also initiating a program for multiple sclerosis ("MS"), another debilitating nerve damage related

condition impacting millions of patients worldwide.

- On July 5, 2019, amended the terms of an investor relations services agreement dated January 16, 2019 with Mr. Huitt Tracey of Vancouver, Canada. Additionally, the monthly fee for services was increased from $2,500 per month to $5,000 per month effective July 1, 2019.

- On September 6, 2019, announced the clinical development strategy for its compound, NVG-291, in two lead indications: spinal cord injury and multiple sclerosis.

- On October 28, 2019, subsequent to the quarter-end, announced the initiation of a research and development initiative to determine if the technology could be effective as a treatment for Alzheimer's disease.

SELECTED FINANCIAL INFORMATION

	Three Months Ended September 30, 2019 $	Three Months Ended September 30, 2018 $	**Nine Months Ended September 30, 2019 $**	Nine Months Ended September 30, 2018 $
Research and development expenses	**1,656,737**	285,240	**4,656,509**	293,203
General and administration expenses	**708,778**	230,301	**2,302,015**	297,312
Net loss	**(2,331,301)**	(515,541)	**(6,877,898)**	(590,515)
Basic and diluted loss per share	**(0.08)**	(0.04)	**(0.28)**	(0.12)
Total assets	**7,060,117**	3,724,565	**7,060,117**	3,724,565
Total liabilities	**573,545**	470,776	**573,545**	470,776

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

For the nine months ended September 30, 2019, the Company reported a net loss of $6,877,898, or $0.28 per share, compared to a loss of $590,515, or $0.12 per share, for the nine months ended September 30, 2018. For the three months ended September 30, 2019, the Company reported a net loss of $2,331,301, or $0.08 per share, compared to a loss of $515,541, or $0.04 per share, for the three months ended September 30, 2018. The increase in net loss for the three and nine months ended September 30, 2019 is a result of increased research and development expenses incurred in the current periods related to the preclinical development and manufacture of the Company's lead compound NVG-291 and associated consulting as the Company prepares for conducting a Phase 1 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"). Administratively, the Company incurred increased legal and consulting fees associated with listing on the TSX-V exchange and OTCQB/QX, as well as non-cash stock-based compensation expenses 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 expanding operations, employees and consultants necessary to transition from a preclinical private company to clinical stage public company following execution of the Company's license agreement with Case Western Reserve University on June 25, 2018.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

Research and Development Expenses

	Three Months Ended September 30, 2019 $	Three Months Ended September 30, 2018 $	**Nine Months Ended September 30, 2019 $**	Nine Months Ended September 30, 2018 $
Chemistry, manufacturing and controls	**711,966**	69,647	**2,242,870**	69,647
Preclinical development	**450,984**	142,729	**1,082,063**	150,064
Salaries and benefits	**273,515**	69,934	**625,499**	70,561
Stock-based compensation	**50,407**	1,920	**282,107**	1,920
Other research and development	**93,845**	1,010	**243,145**	1,011
Licensing & patent legal fees	**60,827**	-	**112,990**	-
Clinical	**3,178**	-	**55,820**	-
Regulatory	**12,015**	-	**12,015**	-
	1,656,737	285,240	**4,656,509**	293,203

Research and development expenses of $1,656,737 were incurred during the three months ended September 30, 2019, compared with $285,240 during the three months ended September 30, 2018. Research and development expenses of $4,656,509 were incurred during the nine months ended September 30, 2019, compared with $293,203 during the nine months ended September 30, 2018. The increase of $1,371,497 and $4,363,306 is attributable to the following factors during the three and nine months ended September 30, 2019 compared to the three and nine months ended September 30, 2018, respectively:

- An increase of $642,318 and $2,173,222, respectively for chemistry, manufacturing and control work, drug formulation development, non-GMP and GMP manufacture of NVG-291 required for both preclinical and clinical testing, as well as related consulting.
- An increase of $308,255 and $931,998, respectively for preclinical development, including IND enabling pharmacology and toxicology studies and analytical development, as well as associated consulting fees required to facilitate FDA IND submission and approval for clinical trials. Several translational research studies were also initiated.
- An increase of $203,848 and $555,205 respectively, relating to employee salaries, bonuses and benefits. The Company continued to add employees with the expertise required to leverage the broad potential application of the Company's technology, including Amy Franke as Vice President, Clinical Operations on April 1, 2019 and Denis Bosc, Vice President, Chemistry, Manufacturing and Control on June 1, 2019.
- An increase of $48,487 and $280,187, respectively pertaining to option grants to employees and consultants, and the timing of the related vesting.
- An increase of $40,503 and $123,747, respectively for the engagement of industry experts in strategic and advisory meetings for evaluating the application of the Company's technology for MS, spinal cord and peripheral nerve injury indications.
- An increase of $52,066 and $118,122, respectively for travel to conferences as well as conference registration fees to stay abreast of science relevant to the development of the Company's technology and increase industry awareness of the Company and its technology, particularly with potential technology development and business partners.
- An increase of $60,827 and $112,990, respectively for patent related costs as the Company continues to expand and extend its patent portfolio.
- An increase of $3,178 and $55,820, respectively for clinical consulting in developing the plans for Phase I studies, additional cohorts of spinal cord patients and Phase 2 clinical studies planned for MS.
- An increase of $12,015 in the three and nine month periods for regulatory activities, specifically, pre-IND information package writing.

General and Administrative Expenses

	Three Months Ended September 30, 2019 $	Three Months Ended September 30, 2018 $	**Nine Months Ended September 30, 2019 $**	Nine Months Ended September 30, 2018 $
Legal, professional and finance	**447,193**	120,459	**975,341**	181,911
Stock-based compensation	**148,573**	7,567	**731,441**	7,567
Salaries and benefits	**136,877**	53,385	**359,154**	54,013
Other general and administrative	**(60,779)**	17,527	**113,186**	18,253
Facilities and operations	**27,359**	21,826	**94,228**	25,348
Amortization of intangible asset	**9,555**	9,537	**28,665**	10,220
	708,778	230,301	**2,302,015**	297,312

General and administrative expenses of $708,778 were incurred during the three months ended September 30, 2019, compared with $230,301 during the three months ended September 30, 2018. General and administrative expenses of $2,302,015 were incurred during the nine months ended September 30, 2019, compared with $297,312 during the nine months ended September 30, 2018. The increase of $478,477 and $2,004,703 is attributable to the following factors during the three and nine months ended September 30, 2019 compared to the three and nine months ended September 30, 2018, respectively:

- Non-cash stock-based compensation expense increased by $141,006 and $723,874 respectively pertaining to option grants to employees and consultants noted above, and the timing of the related vesting.
- An increase of $247,611 and $464,480, respectively pertaining to increased corporate communications, market making, public and investor relations activities, with the engagement of ITG, Torrey Hills Capital, Mr. Huitt Tracey, Vorticom Inc. and other related advisors; as well as business development activities with the engagement of Mr. Paul Brennan and other related advisors.
- An increase of $72,369 and $321,092, respectively in corporate legal and professional fees relating to corporate structuring, execution of equity financings, and costs associated with listing on the TSX-V and OTCQB/QX.
- An increase of $83,493 and $305,142, respectively in employee compensation as additional administrative staff was added to support additional operating activities and the requirements of a publicly listed Company.
- An increase of $58,052 and $92,789, respectively for travel related to corporate and investor relations activities.
- A decrease of $135,313 and increase of $66,615, respectively in office expenses, including bank charges, IT support, licenses, subscriptions, office computers and supplies and the effect of foreign exchange on US cash and accounts payable.
- An increase of $9,090 and $22,525, respectively related to general, and director and officer liability insurance.
- An increase of $2,170 and $8,184, respectively in rent related to office space.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	Sep. 30 2019 $	Jun. 30 2019 $	Mar. 31 2019 $	Dec. 31 2018 $	Sep. 30 2018 $	Jun. 30 2018 $	Mar. 31 2018 $	Dec. 31 2017 $
Research & development	**1,656,737**	883,920	2,115,852	487,198	285,240	7,963	-	-
General & administration	**708,778**	685,519	907,718	280,770	230,301	56,387	10,624	6,382
Net loss	**(2,331,301)**	(1,525,050)	(3,021,547)	(767,969)	(515,541)	(64,350)	(10,624)	(6,382)
Basic & diluted loss per share	**(0.08)**	(0.06)	(0.16)	(0.04)	(0.04)	(0.04)	(5,312)	(3,190)
Total assets	**7,060,117**	8,946,160	9,757,009	3,097,387	3,724,565	1,232,790	83,320	83,249
Total liabilities	**573,545**	327,267	474,346	583,106	470,776	366,778	105,759	95,062

General and administrative expenses are higher in the current year quarters compared with the same quarters in the prior year due to legal and accounting fees, administrative activities related to establishing operations, developing staff, processes and infrastructure, as well as stock-based compensation expenses. Research and development expenses were higher in the current year quarters compared with the same quarters in the prior year, due to late stage preclinical work including toxicology, pharmacology and efficacy studies required to initiate planned human clinical studies, associated consulting fees and the addition of key employees. In particular, research and development expenses were significantly higher in the quarter ended March 31, 2019 than other quarters due to costs related to the initiation of manufacturing NVG-291 and September 30, 2019 due to toxicology studies and manufacturing of NVG-291. General and

administrative expenses for the quarter ended March 31, 2019 were also significantly higher than other quarters due to financing and listing fees associated with the Company's IPO on the TSX-V.

In the nine months ended September 30, 2019, the Company received total gross proceeds of $10,000,000 from its IPO completed on March 13, 2019. The following table sets out a comparison of how the Company intended to use the proceeds from the IPO, other than working capital based on its disclosure, against how the Company actually has used the proceeds to September 30, 2019.

Purpose	Intended 12 Month Use of Proceeds $	Actual Use of Proceeds to September 30, 2019 $
Preclinical development of the technology	5,202,000	3,657,547
Clinical development of the technology	1,680,000	716,855
General and administrative expenses	1,358,000	1,541,909

Amounts exclude non-cash amortization and stock-based compensation expenses.

Development expenses are projected to be materially as intended while general and administrative expenses have exceeded the original forecast as a result of earlier than planned business development activities, strategic consulting and higher than planned activities to expand awareness of the Company in the industry and investment community. Unallocated working capital is expected to be sufficient to fund variances and total funds, net of agent's and offering costs, are expected to be sufficient, to materially meet the Company's business objectives as follows: (1) completing development of NVG-291 involving completing outsourced preclinical animal studies, contracting the manufacture of non-GMP and GMP batches of NVG-291 and beginning stability studies; (2) submitting its IND application with the FDA (currently planned for the beginning of 2020 versus the end of 2019 due to additional data formatting requirements) and (3) preparing to conduct a hybrid study on healthy humans followed by spinal cord injury patients forecast to begin in early 2020. Conduct of the human studies is subject to additional funding, as disclosed in the Company's prospectus.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has 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, conducting discovery research, manufacturing drug supplies, initiating preclinical studies, and providing administrative support to research and development activities, which has resulted in an accumulated deficit of $8,248,194 as of September 30, 2019. With current income only consisting of interest earned on excess cash, in the amount of $80,626 for the nine months ended September 30, 2019, 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 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 additional gross proceeds of $740,000.

Management has forecasted the Company will have sufficient working capital to operate for the ensuing 12 months but will require additional capital to meet its announced goals over the same period. 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.

CASH POSITION

At September 30, 2019, the Company had a cash balance of $6,272,575 compared to $2,474,340 at December 31, 2018. The funds expended during the nine months ended September 30, 2019, of $6,063,406 (net of working capital changes and effects of foreign exchange), were used to fund operating expenditures as the Company added important individuals to its management team, including Amy Franke, VP, Clinical Operations and Dr. Denis Bosc VP, Chemistry, Manufacturing and Control. Consultants and key opinion leaders were also engaged to further develop the Company's PTPσ technologies. Manufacturing and quality processes were advanced and a significant amount of NVG-291 was manufactured to conduct necessary preclinical toxicology, pharmacology and efficacy studies required to initiate planned human clinical studies. The Company also retained additional expertise to provide market making, public relations and investor relations services to increase awareness of the Company within the industry and to potential investors.

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

Working capital at September 30, 2019 was $5,967,408 (December 31, 2018: $2,100,682). The Company's working capital requirements are dependent on the Company's ability to raise capital by selling additional equity or from proceeds from the exercise of stock options, by obtaining business development revenue such as milestone payments from licensing agreements, or by obtaining credit facilities. No assurance can be given that any such additional funding or revenue will be available or that, if additional funding is available, it can be obtained on terms favorable to the Company.

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, 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 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.

CONTRACTUAL OBLIGATIONS

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives 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 nine months ended September 30, 2019 as the Company began to execute its business plan. The Company expects 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 September 30, 2019:

Anticipated Commitments	Under 1 Year $	1-3 years $	4-5 years $	Total $
Patent licensing costs, minimum annual royalties per license agreements	60,264[1]	569,160	1,372,680	2,671,704
Purchase obligations	2,049,553	-	-	2,049,553

(1) $13,630 included in accrued liabilities at September 30, 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 September 30, 2019, the acceleration clause had been met on IPO, resulting in full payment of the past expenses totaling $176,696.

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, earned the following compensation for the following periods:

	Three Months Ended September 30, 2019 $	Three Months Ended September 30, 2018 $	**Nine Months Ended September 30, 2019 $**	Nine Months Ended September 30, 2018 $
Stock Based Compensation	**38,903**	5,646	**616,721**	5,646
Ernest Wong	**129,170**	40,568	**369,044**	51,965
Amy Franke	**71,199**	-	**143,271**	-
Robert Pilz[(1)]	**54,000**	42,500	**160,950**	57,500
William Radvak	**67,500**	29,175	**112,500**	32,500
Denis Bosc	**54,000**	-	**72,000**	-
Earlston Management Corp.[(2)]	**1,500**	650	**4,500**	650
	416,272	118,539	**1,478,986**	148,261

(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 president of Earlston Management Corp.

As at September 30, 2019, the Company had amounts owing to related parties of $155,489 (December 31, 2018: $58,074). Of this total, $1,068 pertained to rent, $4,536 for expense reimbursements, and $149,885 for bonuses (earned but unpaid and included in the table above). $60,750 pertaining to consulting fees to related parties was included in prepaid expenses as at September 30, 2019.

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 December 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 December 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	**September 30, 2019**	December 31, 2018
		$	$
Cash	FVTPL	**6,272,575**	2,474,340
Receivables	Amortized cost	**100,341**	25,843
Prepaids and deposits	Amortized cost	**168,037**	49,375
Accounts payable and accrued liabilities	Amortized cost	**418,056**	390,802
Due to related parties	Amortized cost	**155,489**	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 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 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 below. 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 U.S. dollars. Fluctuations in the U.S. dollar exchange rate could have a significant impact on the Company's results going forward. Without hedging, 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 September 30, 2019 of $535,000 (December 31, 2018: $61,000).

In the near-term, the Company mitigates overall currency risk through advance purchases of U.S. dollars to pay forecasted U.S. denominated expenses. In the long-term, the Company is exposed to net currency risk from employee costs as well as the purchase of goods and services, primarily by its 100% owned U.S. subsidiary, in the United States.

Balances in U.S. dollars are as follows:

	September 30, 2019 ($ U.S.)	December 31, 2018 ($ U.S.)
Cash	**4,235,706**	814,638
Accounts payable and accrued liabilities	**(240,589)**	(367,211)
	3,995,117	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 November 25, 2019	**29,351,659**	**-**	**2,630,000**

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 and under the heading "Risk Factors and "Uncertainties" found in the Company's MD&A for the year ended December 31, 2018 filed on SEDAR (www.sedar.com), as well as other information described elsewhere in this MD&A. Such risks and uncertainties, including the risks listed 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 such 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. Furthermore, 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.

The Company's Competitors Could Develop Alternative Methods for Targeting the PTPσ Receptor

Although the Company has significant patent protection, it is possible that other companies could develop alternative methods of effectively targeting the PTPσ receptor that would be competitive to NervGen's technology.

The Company's Products or Technologies May Need to be Used in Connection with Third Party Technologies or Products

It is not uncommon that drugs are used in combination with other drugs, devices, or therapies. Should this be the case for NervGen's technology it could have an impact on future drug development and commercialization efforts.

The Company Could be Adversely Impacted by Unauthorized Actions or the Distribution of Inaccurate Information

The Company faces the risk that parties take unauthorized actions that negatively impact the Company. This includes the risk of rumors or distribution of inaccurate information on unregulated online blogs, bulletin boards, and social media, as well as risk that individuals or organizations access and use the Company's technology without authorization or Company consent and in ways that are not yet understood and / or approved, resulting in negative consequences to the Company's reputation, perception of the technology, and / or trading of the Company's shares.

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 its 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 International Accounting Standards Board.

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

As of September 30, 2019, the Company's management has assessed the effectiveness of its 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 September 30, 2019, the Company:

1. Entered into an agreement and issued 1,500,000 common shares to its peptide manufacturing partner, CSBio, as an initial deposit for a purchase order.

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.