NOTICE OF

MEETING AND

MANAGEMENT PROXY

CIRCULAR FOR THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD AT 2:00 P.M. (PT)
ON WEDNESDAY, SEPTEMBER 30, 2020
AT
#303 - 595 HOWE STREET, VANCOUVER, BRITISH COLUMBIA V6C 2T5

NERVGEN PHARMA CORP.
1703-595 Burrard Street, Vancouver, BC V7X 1J1

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting (the "Meeting") of shareholders of NervGen Pharma Corp. (the "Corporation") will be held at #303 - 595 Howe Street, Vancouver, British Columbia V6C 2T5, on Wednesday, September 30, 2020, at 2:00 p.m. (Pacific time), for the following purposes:

1. to receive the consolidated financial statements of the Corporation for its fiscal year ended December 31, 2019, the report of the auditor thereon and related management's discussion and analysis;

2. to elect the directors of the Corporation for the ensuing year;

3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the auditor's remuneration;

4. to consider, and if deemed advisable, to pass, with or without variation, a resolution approving the Amended Stock Option Plan of the Corporation;

5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting is set forth in the Management Proxy Circular which accompanies this Notice of Meeting.

If you are unable to attend the meeting in person, you may also listen in by way of dial-in, which will commence at 2:00 p.m. (PT) on September 30, 2020, using one of the following numbers: in Canada 1.778.907.2071 or 1.647.558.0588, in the U.S. 1.929.436.2866 or 1.669.900.6833, ID 894 6842 9379, or you may also access and listen to the meeting by way of computer or equivalent electronic device by using the following link: https://us02web.zoom.us/j/89468429379; however, you will not be able to vote or otherwise participate in the meeting via the dial-in.

Impact of COVID-19: the Corporation is carefully monitoring the public health impact of the coronavirus (COVID-19) pandemic on a daily basis, and may decide to modify the date, time or location of the Meeting or may change the meeting format to a hybrid physical and virtual meeting. While we understand that a change in the date, time or location of the meeting could disrupt the travel plans of those who plan to attend the Meeting, and that a change to a hybrid physical and virtual meeting format may disappoint those who wish to participate in person, our first priority is the health and safety of our communities, shareholders, employees and other stakeholders. In the event we decide to modify the date, time, location or format of the Meeting, shareholders will be notified and provided with additional details in a press release, on our website at www.nervgen.com and pursuant to filings we make with the Canadian securities regulatory authorities. In light of the evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy prior to the Meeting. As always, we encourage you to vote your shares prior to the Meeting.

DATED at Vancouver, British Columbia this 26th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"William Radvak"

William Radvak
Executive Chairman

NOTES:

1. A Management Proxy Circular and Proxy accompany this Notice of Meeting. Registered shareholders who are unable to be present at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted, and to sign, date, and return same in accordance with the instructions set out in the Proxy and the Management Proxy Circular.
2. As provided in the *Business Corporations Act* (British Columbia), the directors have fixed a record date of August 26, 2020. Accordingly, persons who are registered as shareholders on the books of the Corporation at the close of business on August 26, 2020 are entitled to notice of the Meeting.
3. If you are a non-registered shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

NERVGEN PHARMA CORP.
1703-595 Burrard Street, Vancouver, BC V7X 1J1

MANAGEMENT PROXY CIRCULAR

as at August 26, 2020 *(unless otherwise indicated)*

This Management Proxy Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of NervGen Pharma Corp. ("NervGen" or the "Corporation") for use at the annual meeting (the "Meeting") of its shareholders to be held on September 30, 2020 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares in the capital of the Corporation ("Common Shares") represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

b) any amendment to or variation of any matter identified therein, and

c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter and for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

(a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare") (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 no less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the day of the Meeting or, by a registered Shareholder, with the Secretary or the Chairman of the Meeting at the time and place of the Meeting or any adjournment thereof. The instrument appointing a proxy-holder must be executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporate body, by its authorized officer or officers;

(b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or

(c) logging on to the internet through Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Non-Registered (or Beneficial) Shareholders

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) and NOBOs, or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries, which include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Voting for Beneficial Shareholders

The Corporation is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer"* ("NI 54-101") that permit the Corporation to deliver proxy- related materials directly to its NOBOs. Please see the above headings "*Registered Shareholders"* and *"Non-Registered (or Beneficial) Shareholders*".

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Beneficial Shareholders who are OBOs do not appear on the list of shareholders of the Corporation maintained by the transfer agent. The Corporation will not pay for intermediaries to forward the proxy related materials for the Meeting to OBOs. Accordingly, any OBOs should note that they will not receive copies of these proxy related materials unless the intermediary for each OBO assumes the delivery costs related in any such delivery. **OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the Provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the

disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia) certain of its directors and its executive officers are residents of Canada and a substantial portion or all of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare (see "*Registered Shareholders*" above), or at the address of the registered office of the Corporation at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, British Columbia V7X 1L3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Meeting Webcast

If you are unable to attend the Meeting in person, you are encouraged to complete the enclosed form of proxy or, if **applicable**, voting instruction form and return it within the time frames indicated so that your vote is counted at the meeting. If you are unable to attend the meeting in person, you may also listen in by way of dial-in, which will commence at 2:00 p.m. (PT) on September 30, 2020, using one of the following numbers:

Dial-In: in Canada 1.778.907.2071 or 1.647.558.0588; in the U.S. 1.929.436.2866 or 1.669.900.6833, ID 894 6842 9379

Webcast: https://us02web.zoom.us/j/89468429379

however, you will not be able to vote or otherwise participate in the meeting via the dial-in.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation to the date of this Circular, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Corporation has fixed August 26, 2020 as the record date (the

"Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the "TSXV"). As of August 26, 2020, there were 35,113,305 Common Shares issued and outstanding, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding common shares of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements of the Corporation for the year ended December 31, 2019 together with the auditor's report thereon and the related management discussion and analysis in respect of the foregoing financial statements, all of which may be obtained from SEDAR at www.sedar.com, will be presented at the Meeting.

ELECTION OF DIRECTORS

The Corporation has nominated five (5) persons for election as directors of the Corporation at the Meeting. At the Meeting, Shareholders will be asked to elect these nominees as directors of the Corporation. Unless they resign, all directors elected at the Meeting will hold office until our next annual meeting of Shareholders or until their successors are elected or appointed.

The following table sets out the names of management's five (5) nominees for election as directors to the Board, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at August 26, 2020.

Name of Director, Province/State and Country of Residence	Present Principal Occupation, Business or Employment	Director Since	Common Shares
Michael J. Abrams[1] Washington, USA	Consultant since October 2017; Executive Vice-President and Chief Discovery Officer, Arbutus Biopharma Corporation (formerly Tekmira Pharmaceutical Corporation) from January 2014 to September 2016; Vice-President, R&D and Chief Innovation Officer, CDRD Ventures from September 2012 to December 2013.	August 2018	-
Brian E. Bayley[1] British Columbia, Canada	President of Earlston Management Corp., a private management company; and Executive Chairman of Earlston Investments Corp.	May 2018	350,000

Harold M. Punnett[1] British Columbia, Canada	Self-employed dentist as sole owner of Dr. Harold Punnett, Inc.	January 2017	2,350,000
William J. Radvak British Columbia, Canada	Executive Chairman of NervGen since May 2018; President of NervGen from January 2017 to June 2018; President and Chief Executive Officer ("CEO") of Monitor Ventures Inc. from January 2010 to present.	January 2017	1,790,000
Paul A. Brennan British Columbia, Canada	President and Chief Executive Officer of NervGen from November 2019; Chief Business Officer of Eupraxia Pharmaceuticals from June 2019; Principal of Pacific Biopartners from June 2009; VP, Business Development of Aquinox Pharmaceuticals from June 2016 to July 2018; Senior Vice President Business Development of Arbutus Pharmaceuticals (Formerly Tekmira) from May 2010 to August 2015.	November 2019	550,000

(1) Member of the Corporation's Audit Committee

Director Biographies

William J. Radvak – Mr. William Radvak is a co-founder and the Executive Chairman of NervGen. Over the past 30 years, Mr. Radvak has been the CEO and director of multiple start-up companies. He was a founder and the CEO of Response Biomedical Corp., a (formerly publicly listed) medical device company (which continues to carry on that business), which he led from its inception to a 90-employee, sales and manufacturing company. Since 2010, Mr. Radvak has been the President and CEO of Monitor Ventures Inc. (previously American Vanadium Corp.).

Mr. Radvak holds a Bachelor of Applied Science degree in Mining Engineering from the University of British Columbia.

Paul A. Brennan – Mr. Paul Brennan has over 30 years of experience in the pharmaceutical and biotech industries working in leadership roles in general management, corporate strategy, commercial planning, business development and regulatory affairs in Canada, Sweden, the United Kingdom, and the United States. Mr. Brennan began his career working for Astra Canada, and then Astra Draco AB (now part of AstraZeneca) in regulatory affairs. At Astra Draco in Sweden, he was head of the International Regulatory Affairs Department responsible for respiratory and inflammatory diseases. Mr. Brennan began his business development career also at Astra Zeneca where he was responsible for product licensing, technology evaluation, and acquisitions in the respiratory and inflammatory diseases area. His previous experiences also includes senior business development and management positions in various biotech companies, including Aquinox Pharmaceuticals, Arbutus Biopharma, Aspreva Pharmaceuticals, and AnorMED Inc. Mr. Brennan has a comprehensive list of business development and licensing transactions, totaling over $3 billion in value, including mergers & acquisitions, in-licensing, out-licensing, regional transactions, corporate restructuring and dispute resolution. He was a key role in the merger of Tekmira Pharmaceuticals and OnCore BioPharma to create Arbutus Biopharma, which at the time of the merger was valued at over $1 billion, in the sale of Aspreva Pharmaceuticals to Vifor Pharma for $915 million and in the sale of AnorMED to Genzyme for $580 million.

Mr. Brennan holds a MSc in Physiology, and a BSc (Hons) in Life Sciences from Queen's University in Kingston, Ontario.

Michael J. Abrams - Dr. Michael Abrams currently serves on the board of directors of TRIUMF Innovations Inc., a company which commercializes the technology generated by TRIUMF – Canada's national particle accelerator laboratory in Vancouver, British Columbia. Previously, he held Executive VP roles at Arbutus Biopharma Corporation (formerly Tekmira Pharmaceuticals Corporation) (a biopharmaceutical company) in 2014 through 2016; was the VP Research & Development at CDRD Ventures Inc. (a drug commercialization company for Canada's Centre for Drug Research and Development in Vancouver, British Columbia) in 2012 and 2013; and CEO of Inimex Pharmaceuticals Inc. (a drug development company) from 2009 to 2012. Previously, he was the founding President and Chief Executive Officer of AnorMED Inc. from 1996 to 2006.

Dr. Abrams graduated with BA in chemistry from Bowdoin College in Brunswick, Maine in 1978 and subsequently received his PhD in chemistry from the Massachusetts Institute in Technology in 1983.

Brian E. Bayley - Mr. Brian Bayley serves as the President and a director of Earlston Management Corp. (a private management company) and Executive Chairman of Earlston Investments Corp. (a private merchant bank). Previously, Mr. Bayley was a director and Resource Lending Advisor for Sprott Resource Lending Corp. (formerly Quest Capital Corp.), a Toronto Stock Exchange and NYSE American listed resource lending corporation. He has held active senior management positions in both private and public natural resource companies and has over 30 years of public issuer experience, both as an officer and a director.

Mr. Bayley holds an MBA from Queen's University. He is also a director and officer of several other public companies.

Harold M. Punnett - Dr. Harold Punnett is a Member of the Canadian Dental Association, a Member of the College of Dental Surgeons of British Columbia, and a Member of the British Columbia Dental Association. Dr. Punnett is an experienced angel investor and has acted as a director of two public issuers. A co-founder of NervGen, he has a passion for helping those with spinal cord injuries and nerve related challenges.

Dr. Punnett holds a Doctor of Dental Medicine degree from the University of British Columbia.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the proposed Directors is, or has been, as at the date of this Circular or within the ten (10) years prior to the date of this Circular, a director, CEO or chief financial officer ("CFO") of any corporation (including the Corporation) that:

a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Corporation access to any exemption under applicable securities legislation, that was in effect for a period of more than thirty (30) consecutive days (an "Order"), that was issued while the Director or Executive Officer was acting in the capacity as Director, CEO or CFO; or

b) was subject to an Order that was issued after the Director or Executive Officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the knowledge of the Corporation, none of the proposed Directors of the Corporation:

a) is, or has been, as at the date of this Circular or within the ten (10) years prior to the date of this

Circular, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within one (1) year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the ten (10) years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, no proposed director has been subject to:

a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE ELECTION OF THE PROPOSED NOMINEES AS DIRECTORS OF THE CORPORATION FOR THE ENSUING YEAR.

The voting rights pertaining to Common Shares represented by duly executed proxies in favour of the persons named in the accompanying form of proxy will be exercised, in the absence of specifications to the contrary, FOR the election of the proposed nominees as Directors of the Corporation for the ensuing year.

APPOINTMENT AND REMUNERATION OF THE AUDITOR

At the Meeting, Shareholders will be asked to appoint the firm of Davidson & Company LLP ("Davidson") to hold office as the Corporation's auditors until the close of the next annual meeting of Shareholders and to authorize the Board to fix their remuneration. The auditors will hold office until the next annual meeting of Shareholders or until their successors are appointed. Davidson has been acting as auditors for the Corporation since June 2018.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPOINTMENT OF DAVIDSON & COMPANY LLP AS, AS AUDITORS FOR THE CORPORATION AND TO AUTHORIZE THE BOARD TO DETERMINE THEIR REMUNERATION.

The voting rights pertaining to Common Shares represented by duly executed proxies in favour of the persons named in the accompanying form of proxy will be exercised, in the absence of specifications to the contrary, FOR the appointment of Davidson as auditors for the Corporation and to authorize the Board to determine their remuneration.

APPROVAL OF AMENDED STOCK OPTION PLAN

The Corporation's stock option plan (the "Stock Option Plan"), in its current form, was last approved by Shareholders on September 5, 2019. For a summary of the terms of the Stock Option Plan, see "*Material Terms of Stock Option Plan*" below. On August 26, 2020, the Board, subject to Shareholder approval at the Meeting, approved an amendment to the limit of Common Shares reserved for issuance under the Stock Option Plan (the "**Amended Stock Option Plan**"). At the Meeting, Shareholders will be asked to consider a resolution to approve the Amended Stock Option Plan.

In reviewing the Corporation's current compensation practices and to attract expert leadership as the Corporation develops and commercializes its technologies, the Board has determined that it is advisable for the Corporation to increase the number of options ("Options") available to be granted from 5,570,331 Options (being a fixed amount equal to 15.86% of the Corporation's outstanding common shares as of the Record Date) to 7,022,661 Options (being a fixed amount equal to 20% of the Company's outstanding common shares as of the Record Date) under the Amended Stock Option Plan.

Stock Option Plan Resolution

Pursuant to the requirements of the TSXV, the Amended Stock Option Plan must be approved by a simple majority of the votes cast by the Shareholders at the Meeting. If approved, the Amended Stock Option Plan will become effective and replace the Stock Option Plan in its entirety. Therefore, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the "Amended Stock Option Plan Resolution"), approving, confirming and ratifying the Amended Stock Option Plan. The text of the Amended Stock Option Plan Resolution is as follows:

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended stock option plan (the "Amended Stock Option Plan") of NervGen Pharma Corp. (the "Corporation") in substantially the form described in, and attached as Appendix "A" to, the management information circular of the Corporation dated August 26, 2020, be and the same is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.

2. The number of common shares of the Corporation reserved for issuance under the Amended Stock Option Plan is 7,022,661.

3. All unallocated options to acquire common shares of the Corporation, rights or other entitlements available under the Amended Stock Option Plan are hereby approved and authorized.

4. The board of directors of the Corporation is authorized and directed to make any changes to the Amended Stock Option Plan, if required by the TSX Venture Exchange.

5. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute, deliver and file all such agreements, documents and instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF APPROVING THE AMENDED STOCK OPTION PLAN.

If the Amended Stock Option Plan is not approved, the existing Stock Option Plan will continue in effect unamended.

Unless you have specified in the enclosed form of proxy that the votes attaching to the Shares represented by the proxy are to be voted against the Amended Stock Option Plan Resolution, the management representatives designated in the enclosed form of proxy intend to vote the Shares in respect of which they are appointed proxy FOR the Amended Stock Option Plan Resolution. Approval of the foregoing resolution will require the affirmative vote of a majority of the votes cast by holders of Shares present in person or represented by proxy at the Meeting.

EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation

As used herein, "NEO" or "Named Executive Officer" means each of the following individuals:

(a) the Chief Executive Officer (the "**CEO**") of NervGen or any person that acted in a similar capacity during the most recently completed fiscal year;

(b) the Chief Financial Officer (the "**CFO**") of NervGen or any person that acted in a similar capacity during the most recently completed fiscal year;

(c) each of the three most highly compensated executive officers of NervGen, other than the CEO and the CFO;

(d) who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation was individually more than C$150,000 per year; and

(e) any additional individuals for whom disclosure would have been provided under paragraph (c) except that the individual was not serving as an executive officer of NervGen at the end of the most recently completed financial year.

Named Executive Officers

The following table sets forth all compensation received by individuals who served as a Named Executive Officer of the Corporation for the financial years ended December 31, 2019 and 2018. Paul Brennan, president and CEO, Dr. Ernest S. Wong, former President and CEO, William Radvak, former CEO and Executive Chairman, Robert G. Pilz, former CFO and Secretary, Amy Franke, Vice President, Clinical Operations and Denis Bosc, former Vice President, Chemistry, Manufacturing, Controls are each a NEO of the Corporation for purposes of the following disclosure.

Summary Compensation Table

Name and Principal Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus[4] ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Dr. Ernest S. Wong Former President, CEO & Director[1]	**2019**	410,360	78,369	Nil	2,816[5]	71,900[6]	560,629
	2018	134,727	32,712	Nil	2,579[5]	Nil	170,018
Paul A. Brennan President, CEO & Director[1]	**2019**	35,000	Nil	Nil	Nil	164,975[6]	199,975
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Robert G. Pilz Former CFO[2]	**2019**	180,000	34,200	Nil	Nil	45,208[6]	259,408
	2018	87,500	16,450	Nil	Nil	8,743[6]	112,693
Amy Franke VP, Clinical Operations	**2019**	178,886	33,875	Nil	Nil	99,352[6]	312,113
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Denis Bosc Former VP, Chemistry, Manufacturing, Controls[3]	**2019**	105,000	19,950	Nil	Nil	112,853[6]	237,803
	2018	Nil	Nil	Nil	Nil	Nil	Nil
William Radvak Executive Chairman & Director[1]	**2019**	135,000	22,500	Nil	Nil	71,900[6]	229,400
	2018	47,500	Nil	Nil	Nil	Nil	47,500

Notes:

1. On June 18, 2018, Dr. Wong was appointed President and CEO in the place of Mr. Radvak. On November 26, 2019, Mr. Brennan was appointed President and CEO in the place of Mr. Wong. None of the compensation paid to Messrs. Wong, Brennan or Radvak is paid to them in their capacities as director.
2. Fees paid to Mr. Pilz are made through his professional services company, Revelation Business Solutions Ltd. ("**Revelation**"). On February 21, 2020, Mr. Adams was appointed CFO in the place of Mr. Pilz.
3. Dr. Bosc's employment was terminated on April 10, 2020.
4. Bonuses were accrued as at December 31, 2019 and paid on January 31, 2020.
5. Reimbursement of Canadian tax preparation. 2019 tax year was paid in March 2020.

6. The fair values of the Options have been calculated using the Black-Scholes option valuation model with the following assumptions:

Financial year ended December 31,	**2019**	**2018**
Dividend yield	0.0%	0.0%
Expected forfeiture rate	0-15%	15%
Expected volatility	94-109.16%	94%
Risk free interest rate	1.62-2.16%	1.75%
Expected life of options	5-10 years	5 years

Stock Options and Other Compensation Securities

The following table sets forth Options pursuant to the Stock Option Plan granted or issued to each director and Named Executive Officer by the Corporation for the year ended as of December 31, 2019 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class**	**Date of issue or grant**	**Issue conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Robert G. Pilz, Former CFO	Options	50,000	September 5, 2018	0.50	N/A[1]	1.96	September 5, 2023
	Options	50,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
Dr. Ernest S. Wong[2] Former President, CEO & Director	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
Michael J. Abrams, Director	Options	100,000	September 5, 2018	0.50	N/A[1]	1.96	September 5, 2023
	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
William Radvak Executive Chairman & Director	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
Brian E. Bayley, Director	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
Harold M. Punnett, Director	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
Paul A. Brennan President, CEO & Director	Options	100,000	June 1, 2019	1.54	1.54	1.96	June 1, 2024
	Options	700,000	November 26, 2019	1.49	1.49	1.96	November 26, 2029
Amy Franke[2] VP, Clinical Operations	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
	Options	100,000	June 1, 2019	1.54	1.54	1.96	June 1, 2024
Denis Bosc Former VP, Chemistry, Manufacturing, Controls	Options	100,000	January 17, 2019	1.00	N/A[1]	1.96	January 17, 2024
	Options	100,000	June 1, 2019	1.54	1.54	1.96	June 1, 2024

Notes:

1. The Common Shares were not publicly traded as of December 31, 2018.
2. Mr. Wong and Ms. Franke are paid in US dollars. Amounts are shown in Canadian dollars translated from US dollars based on the exchange rates prevailing on the date of the transaction. The average exchange rate was US$1 = $1.30 in the year ended December 31, 2018 and US$1 = $1.33 in the year ended December 31, 2019.

Options Exercised by Directors and Named Executive Officers

No Options were exercised during the year ended December 31, 2019 by any directors or Named Executive Officers.

Pension Plan Benefits

The Corporation does not have a pension plan for its NEOs and directors.

Director Compensation

Directors of the Corporation were not compensated in cash for services rendered in the financial periods ending December 31, 2018 or December 31, 2019.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain details as at the end of the year ended December 31, 2019 with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	**Number of securities to be issued upon exercise of outstanding options (a)**	**Weighted-average exercise price of outstanding options (b)**	**Number of Common Shares remaining available for future issuance under the equity compensation plans (Excluding Common Shares reflected in Column (a)) (c)**
Equity compensation plans approved by shareholders	3,890,000	$1.19	2,380,331
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	3,890,000	$1.19	2,380,331

Particulars of the Stock Option Plan

The Corporation's Stock Option Plan in its current form, was last approved by Shareholders on September 5, 2019. On August 26, 2020 the Board, subject to Shareholder approval at the Meeting, approved an amendment to increase the number of Common Shares which may be reserved for Options under the Stock Option Plan to 7,022,661 which represents a fixed amount equal to 20% of the issued and outstanding Common Shares as at the Record Date. The Shareholders have not approved the amendment. Accordingly, shareholder approval of the Amended Stock Option Plan is being sought at the Meeting, see "*Particulars of Matters to be Acted Upon*" above.

Material Terms of Stock Option Plan (before proposed amendments)

The terms of the Stock Option Plan described below are intended as a summary only and are qualified in their entirety by reference to the complete text of the Stock Option Plan.

The Stock Option Plan is intended to attract, retain and motivate persons of training, experience and leadership as key service providers to the Corporation and its subsidiaries, including their directors, officers and employees, and to advance the interests of the Corporation. Options may be granted to a director, officer, employee or consultant of the Corporation or any related entity (being a person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation) (each, an "Eligible Person").

The aggregate number of Common Shares reserved for Options under the Stock Option Plan is fixed at 5,570,331 Common Shares, being 15.86% of the issued and outstanding Common Shares as at the Record Date. If Options expire or are surrendered or otherwise terminated without being exercised in whole or in part, new Options may be granted in place of such Options.

The grant of Options under the Stock Option Plan is subject to the following limitations:

(i) the number of Common Shares reserved for issuance to any one optionee pursuant to Options, when aggregated with all other Common Shares reserved for issuance under any other equity incentive plan of the Corporation, may not exceed 5% of the outstanding Common Shares on a yearly basis unless the Corporation obtains disinterested shareholder approval;

(ii) the aggregate number of Common Shares reserved for issuance to any one consultant pursuant to Options in any 12 month period, when aggregated with all Common Shares reserved for issuance to such consultant under any other equity incentive plan of the Corporation, may not exceed 2% of the outstanding Common Shares on the date when the Options are granted;

(iii) the aggregate number of Common Shares reserved for issuance to persons employed in investor relations activities pursuant to Options, when aggregated with all Common Shares reserved for issuance to such persons under any other equity incentive plan of the Corporation, shall not exceed 2% of the outstanding Common Shares in any 12 month period calculated at the date such Options are granted;

(iv) Disinterested shareholder approval is required if there is a grant of Options to "insiders" of the Corporation within a 12 month period which, when the Common Shares issuable under such Options are aggregated with all Common Shares reserved for issuance to Insiders of the Corporation under any other equity incentive plan of the Corporation, exceeds 10% of the issued Common Shares.

The exercise price of Options is determined by the Board but may not be less than the Fair Market Value ("**FMV**") of the Common Shares on the grant date of the Options. The FMV is the last closing price of a board lot of the Common Shares before the grant date on the stock exchange or over the counter market which is the principal trading market for the Common Shares, as may be determined for such purpose by the Board.

The Options have a maximum term of ten years from the date of issue and Options vest as the Board may determine upon the award of the Options.

To the extent not earlier exercised, an Option shall terminate at the earliest of the following dates:

(i) the expiry date specified for such Option in the option agreement governing the specific terms of the Options granted to the optionee;

(ii) where the optionee's position as an employee, a director or an executive officer of or a consultant to the Corporation or any subsidiary is terminated for just cause, the date of such termination for just cause;

(iii) where the optionee's position as an employee, a director or an executive officer of or a consultant to the Corporation or any subsidiary (other than a person employed to provide investor relations activities), terminates for a reason other than the optionee's disability, death, or termination for just cause, 90 days after such date of termination, or in the case of a person employed to provide investor relations activities, 30 days after such termination but:

(a) if an optionee's position changes from one of the said categories to another category such change will not cause the option to terminate;

(b) upon the optionee making written application to the Board and receiving the written consent of the Board, which consent may be given at the discretion of the Board, at such later date as determined by the Board which must be no later than the original expiry date of such Option when it was granted and the first anniversary of the optionee's termination;

(c) where the optionee's position as an employee, a director or an executive officer of or a consultant to the Corporation or any subsidiary (other than a person employed to provide investor relations activities), terminates due to the optionee's death, the first anniversary of the optionee's death; and

(d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of non-transferability provisions.

Subject to the approval of any stock exchange on which the Corporation's securities are listed, the Stock Option Plan may be terminated at any time by resolution of the Board, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Stock Option Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.

The Stock Option Plan contains additional provisions to provide for incentive stock option grants for United States resident optionees, intended to qualify as an "incentive stock option" pursuant to section 422 of the United States Internal Revenue Code of 1986, as amended.

Employment, Consulting and Management Agreements

Dr. Ernest Wong Employment Agreements

The Corporation and Dr. Wong entered into two separate employment agreements (one with the Corporation and one with the Corporation's wholly owned subsidiary, NervGen US Inc. (the "**Subsidiary**")), effective August 1, 2018, for an indefinite term pursuant to which Dr. Wong was employed as the Chief Executive Officer of the Corporation and the Subsidiary (the "**Wong Employment Agreements**"). The employment agreement between Dr. Wong and the Corporation entitled Dr. Wong to an annual salary of US$12,500 (CAD$16,270[1]) until October 1, 2018 whereupon it increased to US$25,000 (CAD$32,540[1]). Dr. Wong's salary further increased to US$30,000 (CAD$39,048[1]), beginning upon the Corporation's successful completion of its initial public offering and the listing of the Common Shares on the TSXV. Dr. Wong was paid a signing bonus of $500 in consideration of entering into this agreement.

The employment agreement between Dr. Wong and the Subsidiary entitled Dr. Wong to an annual salary of US$112,500 (CAD$146,430[1]) until October 1, 2018 whereupon it increased to US$225,000 (CAD$292,860[1]). Dr. Wong's salary further increased to US$270,000 (CAD$351,432[1]), beginning upon

[1] Converted from U.S. dollars to Canadian dollars at December 31, 2019 US$1.00 = C$1.3016.

the Corporation's successful completion of its initial public offering and listing the Common Shares on the TSXV. The Subsidiary reimbursed Dr. Wong up to US$2,000 (CAD$2,603[1]) per for tax advice and assistance.

The Wong Employment Agreements were terminated effective December 15, 2019 and replaced by a separation agreement (the "**Wong Separation Agreement**"). The Wong Separation Agreement provides for severance pay in the amount of 12 months of Dr. Wong's salary, totaling US$300,000 ($CAD390,480[1]). Additionally, Dr. Wong was entitled to a cash performance bonus payable with respect to the financial year ended 2019, in the amount of US$60,000 (CAD$78,096[1]).

Dr. Wong entered into a consulting agreement (the "**Wong Consulting Agreement**") with the Corporation on November 26, 2019, effective as of January 1, 2020, to provide services in support of the commercial and business development activities of the Corporation. Pursuant to the Wong Consulting Agreement, Dr. Wong will be compensated a minimum of US$8,500 (CAD$11,064[1]) per month for the first 64 hours worked (8 days) on behalf of the Corporation. Any additional time over the 64 hours spent for any given month will be incurred at a rate of US$225 (CAD$293[1]) per hour. The agreement is effective for three months from the effective date. After this initial three-month period, the agreement was extended but Dr. Wong's hours of work will be on a project-by-project basis as agreed to in writing between the Corporation and Dr. Wong, based on the ongoing needs of the Corporation, and will be reviewed every three months thereafter during the term of this Agreement. The Wong Consulting Agreement does not contain any change of control, severance, termination or constructive dismissal clauses.

Mr. Robert Pilz Consulting Agreement

Effective May 16, 2018, Mr. Pilz was engaged to provide CFO consulting services to the Corporation through his professional services company, Revelation, until December 31, 2019 (the "**Revelation Consulting Agreement**"). Beginning July 16, 2018, Revelation earns $15,000 per month. On December 31, 2019, the Revelation Consulting Agreement was extended for a one-year period. The Revelation Consulting Agreement was further revised on February 21, 2020 with compensation being determined on a project-by-project basis and does not contain any change of control, severance, termination or constructive dismissal clauses.

Mr. William Radvak Consulting Agreement

Mr. Radvak provides his services as Executive Chairman pursuant to a consulting agreement, effective May 16, 2018 and amended July 1, 2019 (the "**Radvak Consulting Agreement**"). Beginning June 1, 2018, Mr. Radvak earned a fee of $5,000 per month which increased to $7,500 per month effective August 1, and to $15,000 per month effective July 1, 2019. The amendment also included a bonus of $22,500, paid in August 2019. The Radvak Consulting Agreement had a term until December 31, 2019 and was automatically extend for one year on December 31, 2019. If Mr. Radvak's employment is terminated by the Corporation, pursuant to the Radvak Consulting Agreement, Mr. Radvak will be entitled to severance equal to the previous six months fees plus compensation and expenses incurred to the date of such termination. If the Radvak Consulting Agreement is terminated as a result of a change of control, then Mr. Radvak will be entitled, in addition to the foregoing severance, to an additional lump sum payment equal to the fees paid in the previous six months. As at December 31, 2019, the obligation on termination of the Radvak Consulting Agreement by the Corporation, other than resulting from a change of control by, would be $90,000 and the total obligation if termination resulted from a change of control would be $180,000.

Mr. Paul Brennan Employment Agreement

Mr. Brennan entered into an employment agreement with the Corporation on November 26, 2019, for an indefinite term, pursuant to which Mr. Brennan is employed as the President and Chief Executive Officer of the Corporation and the Subsidiary (the "**Brennan Employment Agreement**"). The Brennan Employment Agreement entitles Mr. Brennan to an initial annual salary of $350,000. The salary will increase to US$375,000 (CAD$488,100[1]) effective upon the listing of the Corporation's securities on a senior US stock exchange such as Nasdaq or the NYSE. If the Brennan Employment Agreement is

terminated by the Corporation, for any reason other than cause, prior to the first anniversary of date of the effective date of Brennan Employment Agreement, Mr. Brennan would be entitled to six months' written notice of termination, payment of six months' of his salary in effect at the time, or any combination thereof. If the Brennan Employment Agreement is terminated by the Corporation, for any reason other than cause, after the first anniversary of the effective date of the Brennan Employment Agreement, Mr. Brennan would be entitled to twelve months' written notice of termination, payment of twelve months' of his salary in effect at the time, or any combination thereof. If Mr. Brennan's employment is terminated as a result of a change of control, or if he resigns for good reason during the change of control period, then he will be entitled, in addition to the foregoing severance, an additional lump sum payment equal to twelve months' salary at the salary rate in effect at the time of termination. As at December 31, 2019, the obligation on termination of the Brennan Employment Agreement by the Corporation, other than resulting from a change of control, would be $175,000 and the total obligation if termination resulted from a change of control would be $525,000.

Mr. Denis Bosc Employment Agreement

Mr. Bosc entered into an employment agreement with the Corporation on June 1, 2019, for an indefinite term, pursuant to which Mr. Bosc is employed as the Vice President, Chemistry, Manufacturing and Control (the "**Bosc Employment Agreement**"). Pursuant to the Bosc Employment Agreement, Mr. Bosc is entitled to an annual salary of $180,000. Effective January 1, 2020, Mr. Bosc's salary was increased to $183,600. If the Bosc Employment Agreement is terminated by the Corporation, for any reason other than cause, Mr. Bosc would be entitled to notice, or pay-in-lieu of notice, of one week per year of completed service plus the termination and severance entitlements, if any, required under applicable minimum standards legislation. Mr. Bosc would also be entitled to payment of any cash performance bonus payable with respect to the fiscal year prior to the fiscal year in which termination occurs (if not previously paid), and payment of any prorated bonus for the year in which termination occurs, which payment shall be calculated based on the bonus payable or awarded for the previous fiscal year. As at December 31, 2019, the obligation on termination of the Bosc Employment Agreement by the Corporation would be $23,481.

Ms. Amy Franke Employment Agreement

Ms. Franke entered into an employment agreement with the Corporation on April 1, 2019, for an indefinite term, pursuant to which Ms. Franke is employed as the Vice President, Clinical Operations (the "**Franke Employment Agreement**"). Pursuant to the Franke Employment Agreement, Mrs. Franke is entitled to an annual salary of US$180,000 (CAD$234,288[1]). Effective January 1, 2020, Ms. Franke received an increase to US$182,880 (CAD$238,037[1]). If the Franke Employment Agreement is terminated by the Corporation for any reason other than cause, Ms. Franke would be entitled to notice, or pay-in-lieu of notice, of one week per year of completed service plus the termination and severance entitlements, if any, required under applicable minimum standards legislation. Ms. Franke would also be entitled to payment of any cash performance bonus payable with respect to the fiscal year prior to the fiscal year in which termination occurs (if not previously paid), and payment of any prorated bonus for the year in which termination occurs, which payment shall be calculated based on the bonus payable or awarded for the previous fiscal year. As at December 31, 2019, the obligation on termination of the Franke Employment Agreement by the Corporation would be US$29,167 (CAD$37,964[1]).

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation is a biotechnology research and development Corporation that focuses on commercializing technologies in various fields and is dependent on financing to carry on its business. In order to ensure alignment with shareholder interests, as well as to conserve cash resources, the Corporation relies, when possible and prudent, on stock options, in addition to cash payments to remunerate its officers, employees, consultants and other service providers. To this end, the Corporation maintains the Stock Option Plan, pursuant to which directors, officers, employees and consultants may be granted Options to purchase Common Shares. The Corporation does not maintain any pension or retirement plan.

Compensation Discussion and Analysis

The Board is responsible for implementing and overseeing the human resources and compensation philosophy of the Corporation and making recommendations with respect to the compensation of the NEOs and directors of the Corporation. The Board determines director and NEO compensation annually at a meeting of the directors.

Objectives of the Compensation Program

The compensation program adopted by the Corporation was designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the Corporation's executive officers provides a competitive base compensation package and a bonus plan with a strong link to corporate performance objectives. Executive officers will be motivated through the program to enhance long-term shareholder value.

Elements of Compensation

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary or Consulting Fees	Attract and retain	Competitive pay ensures access to skilled employees and consultants necessary to achieve corporate objectives.
Bonus	Attract and retain	Bonus plans serve to focus employees' efforts on key objectives, increase employee motivation by establishing a clear link between pay and performance and support stakeholder ideals by allowing employees to share in the success of the business.
Options	Motivate and reward, align interests with shareholders	Long-term incentives motivate and reward employees and consultants to increase shareholder value by the achievement of long-term corporate strategies and objectives.

As the Corporation is in the development-stage, it cannot staff every function that would be in place in a more mature, profitable corporation. Nevertheless, the Corporation also requires access to a similar range of expertise and hands-on capabilities. Therefore, the Corporation makes use of consultants, typically on a part-time basis. All consultants must enter into a confidential disclosure agreement with the Corporation. The specific terms of each consulting engagement differ as to the consultant's time commitment to the Corporation and the compensation rate paid to the consultant. Industry consultant compensation norms, consultant capabilities, and the Corporation's needs are the key factors when determining appropriate consultant compensation.

The Corporation provides executive officers with base salaries providing their minimum compensation for services rendered during a financial year. NEOs' base compensation depends on the scope of their experience, responsibilities, performance, length of service, general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Board.

The Corporation provides its executive officers and certain consultants, with a performance bonus based on the achievement of detailed employee performance objectives as well as the attainment of the Corporation's goals. Potential annual bonus as a percentage of base compensation varies by role, ranging from 20%-40%.

The grant of Options pursuant to the Stock Option Plan has been an integral component of the compensation arrangements of the senior officers of the Corporation, and the Corporation expects this to continue. The Board believes that the grant of Options to executive officers and Common Share ownership by such officers motivates such officers to strive towards achievement of the Corporation's long-term strategic objectives, which will benefit all shareholders. Options will be awarded based on determinations by the Board. Decisions with respect to Option grants will be based upon the individual's level of responsibility and their contribution towards the Corporation's goals and objectives and may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board will consider the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants.

Although the Board considers general industry trends and practices in determining NEO compensation, a specific peer group was not used to determine NEO compensation during the year ended December 31, 2019.

Risk Assessment

In carrying out its mandate, the Board from time to time reviews the risk implications of the Corporation's compensation policies and practices, including those applicable to the Corporation's NEOs. This review of the risk implications ensures that the compensation plans, in their design, structure and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

a) design of a compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of a particular executive, substantially equivalent performance goals,

b) a balance of short-term performance incentives with equity-based awards that vest over time,

c) ensuring that the overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's annual budget or financial resources, after giving consideration to the development stage of the Corporation, and

d) utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer-term risks and objectives.

Hedging Policy

Named Executive Officers or directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Named Executive Officers or directors, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, there is no indebtedness owing to the Corporation by any employees, officers, directors or Nominees of the Corporation (or any associate or affiliate thereof).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out herein, none of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation's last financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Corporation, nor any associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction during the year ended December 31, 2019, or has any such interest in any proposed transaction, which has materially affected or would materially affect the Corporation.

MANAGEMENT CONTRACTS

The business of the Corporation is managed by its directors and officers and the Corporation has no management agreements with persons who are not officers or directors of the Corporation.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board of the Corporation is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board and management believe that the Corporation has a sound governance structure in place for both management and the Board. Of particular note, NervGen has:

- Established a written mandate of the Board;
- Established a written charter for the Audit Committee;
- Established a written Disclosure and Trading Policy;
- Established a written Code of Ethics.

The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This section sets out the Corporation's approach to corporate governance and addresses the Corporation's compliance with NI 58-101.

Board of Directors

Pursuant to NI 58-101, directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the Board's view, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management by having a majority of independent directors on both the Board and committees of the Board. The independent members of the Board, as of the

date hereof, are: Michael J. Abrams, Brian E. Bayley and Harold M. Punnett. Mr. Paul Brennan and William J. Radvak are not independent as they are either current or former executive officers of the Corporation. The mandate of the Board is to manage corporate governance matters pertaining to the business and affairs of the Corporation. In fulfilling its mandate, the Board as a whole oversees the development and application of policies regarding corporate governance, deals with corporate governance issues, and is responsible for:

a) adopting a strategic planning process for the Corporation;

b) understanding the principal risks of the Corporation's business and ensuring the implementation of the appropriate systems to manage these risks;

c) succession planning for the Corporation, including identifying, appointing, training and monitoring senior management;

d) overseeing the integrity of the Corporation's internal controls and management information systems; and

e) maintaining a continuing dialogue with management in order to ensure the ability to respond to changes, both internal and external, which may affect the Corporation and its business operations from time to time.

In carrying out its mandate, the Board holds regular meetings, and has established an audit committee. The frequency of meetings, as well as the nature of the matters dealt with, will vary from year to year depending on the state of the Corporation's business and the opportunities or risks, which the Corporation faces from time to time.

Directorships

The following table outlines other reporting issuers that Board members are directors of:

Name	Name of Reporting Issuer	Name of Exchange or Market
Michael J. Abrams	None	N/A
Brian E. Bayley	Monitor Ventures Inc.	NEX
	Cypress Hills Resource Corp.	NEX
	EMX Royalty Corp.	TSXV
	Quendale Capital Corp.	NEX
Harold M. Punnett	None	N/A
William J. Radvak	Monitor Ventures Inc.	NEX
Paul A. Brennan	None	N/A

Orientation and Continuing Education

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.

Ethical Business Conduct

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Corporation's current stage of development and size, the Board is of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Corporation.
The Corporation's articles of incorporation include a provision requiring advance notice of the nomination of persons to act as directors of the Corporation. Under this provision, subject only to the *Business Corporations Act* (British Columbia), nominations of persons for election to the Board may be made at any annual general meeting of shareholders, or at any special general meeting of shareholders if one of the purposes for which the special general meeting was called was the election of directors:

a) by or at the direction of the Board including pursuant to a notice of meeting,

b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act (British Columbia) or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act (British Columbia) or

c) by any person (a "Nominating Shareholder") who

   i. at the close of business on the date of the giving of the notice of nomination and on the record date for notice of such meeting, is entered in the central securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and

   ii. complies with the notice procedures set out in the advance notice provision, including without limitation that such notice must be provided to the Corporation

      A. in the case of an annual general meeting of shareholders, not more than 60 days and not less than 35 days prior to the date of the annual general meeting of shareholders (but if the annual general meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made (the "Notice Date"), notice by the Nominating Shareholder may be made not later than the close of business on the 10th business day following the Notice Date); and

      B. in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th business day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Compensation

For disclosure on what steps are taken to determine compensation for the directors and the CEO, including:

i. who determines compensation; and

ii. the process for determining compensation, see the above heading "*Oversight and Description of Director and Named Executive Officer Compensation"*.

Assessments

The Board annually reviews its own performance and effectiveness. Neither the Corporation nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Corporation's corporate governance practices are appropriate and effective for the Corporation, given its relatively small size and limited operations. The Corporation's method of corporate governance allows for the Corporation to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Audit Committee

NI 51-102 requires the Corporation to disclose annually in its information circular certain information concerning the constitution of the audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Audit Committee is governed by its charter. A copy of the text of the Audit Committee's charter, established in accordance with National Instrument 52-110 – *Audit Committees* ("NI 52-110"), is set out in Appendix "B" to this circular.

Composition of the Audit Committee

The current members of the audit committee are all independent directors, namely: Brian E. Bayley (Chair), Dr. Michael J. Abrams and Dr. Harold M. Punnett. The audit committee reviews the annual and quarterly financial statements of the Corporation and certain other public disclosure documents required by regulatory authorities and makes recommendations to the Board with respect thereto. The audit committee also reviews with the auditors and management the adequacy of the Corporation's financial reporting and internal control procedures to ensure they are effective and appropriate. All members of the Audit Committee are considered to be financially literate within the meaning of NI 52-110.

Relevant Education and Experience

See disclosure under the above heading "*Director Biographies*". All of the Audit Committee members are independent of management of the Company as required by the TSXV and each member is financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each individual has experience managing a company at an executive level and, in those roles, reviewing financial statements and reports. In addition to their experience as Executive Officers, each member of the Audit Committee has experience serving on public company Boards.

Auditor Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson.

External Service Auditor Fees

The fees paid by the Corporation to its auditor in the last two financial years, by category, are as follows:

Financial Year Ending	**Audit Fees(1)**	**Audit Related Fees(2)**	**Tax Fees(3)**	**All Other Fees(4)**
December 31, 2019	$54,384(6)	Nil	Nil	$7,500(7)
December 31, 2018	$31,744	Nil	$10,350	$4,000(5)

Notes:

1. "Audit Fees" include, where applicable, fees necessary to perform the annual audit and the quarterly review of the Corporation's consolidated financial statements. Audit Fees include fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees include audit and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. "Audit Related Fees" include, where applicable, services that are traditionally performed by the auditor. These audit-related services include employee benefits audits, due diligence assistance, accounting consultants on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include, where applicable, fees for all tax services other than those included in "Audit Fees" and "Audit Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes Assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All Other Fees" includes, where applicable, all other non-audit services.
5. Fees pertain to IPO.
6. $30,000 pertaining to the annual audit was accrued as at December 31, 2019.
7. Fees pertain to prospectus review.

The Corporation is relying upon the exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees.*

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis, which is filed on www.sedar.com. The Corporation will provide to any person or company, upon request to the Chief Financial Officer of the Corporation, one copy of the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents are available without charge to shareholders upon written request to the Corporation by emailing William Adams, CFO at badams@nervgen.com.

OTHER MATTERS

As of the date of this Circular, the Board and Management are not aware of any matters to come before the Meeting other than those matters specifically identified in the accompanying Notice of Meeting. However, if such other matters properly come before the Meeting or any adjournment(s) thereof, the persons designated in the accompanying form of proxy will vote thereon in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

BOARD APPROVAL

The contents of this Circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

DATED this 26th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"William Radvak"

William Radvak
Executive Chairman

APPENDIX A
STOCK OPTION PLAN

1. **INTERPRETATION**

1.1 **Defined Terms** - For the purposes of this Stock Option Plan, the following terms shall have the following meanings:

(a) "**Associate**" shall have the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time.

(b) "**Board**" means the Board of Directors of the Corporation.

(c) "**California Option**" has the meaning ascribed to such term in Section 17 of this Plan.

(d) "**Change in Control**" means:

(i) a takeover bid (as defined in the British Columbia *Securities Act*), which is successful in acquiring a majority of the outstanding Shares;

(ii) the election by the Shareholders of less than a majority of the individuals nominated for election as directors of the Corporation by management of the Corporation;

(iii) the sale of all or substantially all the assets or business of the Corporation;

(iv) the sale, exchange or other disposition by one or more Persons formerly controlling the Corporation of a majority of the outstanding Shares in a single or series of related transactions;

(v) the dissolution of the Corporation's business or the liquidation of its assets;

(vi) a merger, amalgamation or arrangement of the Corporation in a transaction or series of transactions in which the Shareholders receive less than 51% of the outstanding shares of the new or continuing entity; or

(vii) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares.

(e) "**Committee**" means the Compensation Committee appointed by the Board, or if no such committee is appointed, the Board itself.

(f) "**Consultant**" has the meaning ascribed in NI 45-106 and, to the extent that the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time, is narrower or more restrictive in the Corporate Finance Manual, such narrower or more restrictive provisions in such definition shall apply.

(g) "**Corporation**" means NervGen Pharma Corp., a company incorporated under the laws of British Columbia, Canada.

(h) "**Disability**" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than six months which causes an individual to be unable to engage in any substantial gainful activity.

(i) "**Disinterested Shareholder Approval**" means a resolution approved by a simple majority of the votes cast by the Shareholders at a meeting of Shareholders, excluding votes attaching to the Shares beneficially owned by Insiders of the Corporation to whom Options may be issued and Associates of those Persons.

(j) "**Effective Date**" means the effective date of this Plan.

(k) "**Eligible Persons**" means an employee, Executive Officer or director of or Consultant to the Corporation or any Subsidiary.

(l) "**Exchange Hold Period**" means a four month resale restriction period imposed by the TSX Venture Exchange.

(m) "**Executive Officer**" has the meaning ascribed to such term in NI 45-106.

(n) "**Fair Market Value**" as of a given date means, where the Shares:

(i) are listed for trading on a stock exchange or over the counter market, the last closing price of a board lot of the Shares before such date on the stock exchange or over the counter market which is the principal trading market for the Shares, as may be determined for such purpose by the Committee; and

(ii) are not so listed for trading, the fair market value of the Shares on such date as determined by the Committee in good faith.

(o) "**Grant Date**" means the date on which a grant of an Option becomes effective by the Corporation completing the actions necessary to grant the Option and creating a legally binding right in the Optionee, including specifying the Optionee, the number of Shares subject to the Option granted to such Optionee, and the Option Price of such Option.

(p) "**Guardian**" means the guardian, if any, appointed for an Optionee.

(q) "**Insider**" shall have the meaning ascribed to such term in the British Columbia Securities Act, as amended from time to time.

(r) "**Investor Relations Activities**" has the meaning ascribed in NI 45-106 and, to the extent that the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time, is narrower or more restrictive in the Corporate Finance Manual, such narrower or more restrictive provisions in such definition shall apply.

(s) "**NI 45-106**" means National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators and all amendments thereto from time to time and any instrument which subsequently amends, replaces or supersedes NI 45-106.

(t) "**Option**" means an option to purchase Shares granted pursuant to the terms of this Plan.

(u) "**Option Agreement**" means the agreement entered into by the Optionee and the Corporation specifying the terms of the Option being granted to the Optionee under the Plan (i) in substantially the form attached as Exhibit A hereto, (ii) in the case of a U.S. Participant, in substantially the form attached as Exhibit B hereto, or (iii) in such other form as the Board or Committee may approve from time to time.

(v) "**Option Price**" means the exercise price per Share for an Option which shall be expressed in Canadian funds or in the United States dollar equivalent thereof.

(w) "**Optionee**" means a Person to whom an Option has been granted.

(x) "**Person**" has the meaning ascribed to such term in NI 45-106.

(y) "**Plan**" means this Stock Option Plan of the Corporation.

(z) "**Qualified Representative**" means the executor or administrator of a deceased Optionee duly authorized or appointed by a court or public authority having jurisdiction to do so.

(aa) "**Share Compensation Arrangement**" means any stock option, stock option plan, employee stock purchase plan, share distribution plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares to any director, officer or employee of or Consultant to the Corporation or any of its subsidiaries, including a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise.

(bb) "**Shareholder**" means a holder of Shares.

(cc) "**Shares**" means the common shares in the capital of the Corporation.

(dd) "**Subsidiary**" means a Person controlled by the Corporation directly, or indirectly through one or more intermediates, and more than 50% of whose outstanding securities representing the right, other than as affected by events of default, to vote for the election of directors, is owned by the Corporation and/or one or more of the Corporation's other Subsidiaries.

(ee) "**Term**" means the period of time during which an Option may be exercised.

(ff) "**U.S.**" means the United States of America, its territories and possessions and the District of Columbia.

2. STATEMENT OF PURPOSE

2.1 **Principal Purposes** - The principal purposes of the Plan are to:

(a) provide the Corporation with the advantages of the incentive inherent in share ownership on the part of those responsible for the continued success of the Corporation;
(b) create in those individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and
(c) attract new talent to the Corporation.

2.2 **Benefit to Shareholders** - The Plan is expected to benefit Shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

3. ADMINISTRATION

3.1 **Board or Committee** - Subject to the direction of the Board, the Plan shall be administered by the Committee.

3.2 **Appointment of Committee** - The Committee shall administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. The Committee shall continue to administer the Plan until otherwise directed by the Board.

3.3 **Quorum and Voting** – Notwithstanding the provisions of the Committee's Charter or any resolution of the Board respecting the Committee, for the purposes of this Plan:

(a) a majority of the members of the Committee shall constitute a quorum;

(b) subject to the limitations in this Section 3, all actions of the Committee arising at any meeting shall be decided by a majority of votes; and

(c) no member of the Committee who is a director of the Corporation or a Subsidiary to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is taken with respect to the granting of an Option to him or her).

3.4 **Powers of Committee** - Notwithstanding the provisions of the Committee's Charter or any resolution of the Board respecting the Committee, the Committee shall have the following authority in respect of the Plan:

(a) to administer the Plan in accordance with its terms;

(b) to determine all questions arising in connection with the administration, interpretation, and application of the Plan, including all questions relating to the value of the Shares;

(c) to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;

(d) to prescribe, amend and rescind the rules and regulations relating to the administration of the Plan;

(e) to determine the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan;

(f) with respect to the granting of Options, to make recommendations to the Board as to:

(i) the Eligible Persons to whom Options shall be granted, based on the eligibility criteria set out in this Plan;

(ii) the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement);

(iii) amending the terms and provisions of an Option Agreement, provided it obtains:

(A) the consent of the Optionee; and

(B) the approval of any stock exchange on which the Corporation is listed, where required,

(iv) when Options shall be granted;

(v) the number of Shares subject to each Option; and

(vi) the vesting schedule, if any, for the exercise of such Option; and

(g) to make other determinations necessary or advisable for administration of the Plan.

3.5 **Approvals** - The Corporation will use commercially reasonable efforts to obtain any regulatory or Shareholder approvals which may be required pursuant to applicable securities laws or the rules of any stock exchange or over the counter market on which the Shares are listed.

3.6 **Administration by Committee** - All determinations made by the Committee in good faith with respect to matters referred to in Section 3.4 shall be final, conclusive and binding upon all Eligible Persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee's administration of the Plan shall in all respects be consistent with the policies and rules of any stock exchange or over the counter market on which the Shares are listed.

4. ELIGIBILITY

4.1 **Eligibility for Options** - Options may only be granted to Eligible Persons.

4.2 **Limitations** - The grant of Options under the Plan is subject to the following limitations:

(a) the number of Shares reserved for issuance to any one Optionee pursuant to Options, when aggregated with all Shares reserved for issuance to such Optionee under every other Share Compensation Arrangement, shall not exceed 5% of the outstanding Shares on a yearly basis unless the Corporation has obtained Disinterested Shareholder Approval;

(b) the aggregate number of Shares reserved for issuance to any one Consultant pursuant to Options in any 12 month period, when aggregated with all Shares reserved for issuance to such Consultant under every other Share Compensation Arrangement, shall not exceed 2% of the outstanding Shares at the Grant Date;

(c) the aggregate number of Shares reserved for issuance to Persons employed in Investor Relations Activities pursuant to Options, when aggregated with all Shares reserved for issuance to such Persons under every other Share Compensation Arrangement, shall not exceed 2% of the outstanding Shares in any 12 month period calculated at the Grant Date and Options granted to Consultants performing Investor Relations Activities must contain vesting provisions such that the vesting occurs no earlier than over at least 12 months with no more than one quarter of the Options vesting in any three month period;

(d) Disinterested Shareholder Approval will be required if there is a grant of Options to Insiders of the Corporation within a 12 month period which, when the Shares issuable under such Options are aggregated with all Shares reserved for issuance to Insiders of the Corporation under every other Share Compensation Arrangement, exceeds 10% of the issued Shares;

(e) a press release is required at the time of grant of Options to Insiders of the Corporation and Persons employed in Investor Relations Activities; and

(f) all Options must be granted within the timeframe set forth in Section 12.3.

4.3 **No Violation of Securities Laws** - No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option will not violate the securities law of the jurisdiction in which the Corporation and the Optionee reside.

5. SHARES SUBJECT TO THE PLAN

5.1 **Number of Shares -** The Board, based on recommendations by the Committee, may grant Options under the Plan from time to time to purchase, when aggregated with all Shares reserved for issuance under every other Share Compensation Arrangement, an aggregate of 7,022,661 Shares. Such maximum number of Shares issuable under the Plan shall be made available from authorized, but unissued, Shares. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10 hereof.

5.2 **Expiry of Option -** If an Option expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

5.3 **Reservation of Shares** - The Corporation will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

6. OPTION TERMS

6.1 **Option Agreement** - With respect to each Option granted to an Optionee, the following terms shall be specified in the Option Agreement between the Corporation and the Optionee:

(a) the number of Shares subject to purchase pursuant to such Option;

(b) the Grant Date;

(c) the Term, provided that the length of the Term shall in no event be greater than 10 years following the Grant Date;

(d) the Option Price, provided that the Option Price shall not be less than the Fair Market Value of the Shares on the Grant Date;

(e) any vesting schedule upon which the exercise of an Option is contingent;

(f) if the Optionee is an employee or Consultant, a representation by the Corporation and the Optionee that the Optionee is a bona fide employee or Consultant, as the case may be, of the Corporation or a Subsidiary; and

(g) such other terms and conditions as the Committee deems advisable and are consistent with the purposes of this Plan.

6.2 **Hold Period** – An Exchange Hold Period is required, commencing on the Grant Date, for Options granted to Insiders of the Corporation or Options granted at any discount to Fair Market Value on the Grant Date.

6.3 **Vesting Schedule** - The Board, taking into account the recommendations of the Committee, shall have complete discretion to set the terms of any vesting schedule for each Option granted, including, without limitation, discretion to permit:

(a) partial vesting in stated percentage amounts based on the Term of such Option; and

(b) full vesting after a stated period of time has passed from the Grant Date; provided that the vesting period for an Option shall be in accordance with the policies of the TSX Venture Exchange at the Grant Date.

6.4 **Amendments to Options** - Amendments to the terms of previously granted Options are subject to all required regulatory approvals. If required by the TSXV, Disinterested Shareholder Approval shall be required for any reduction in the Option Price of a previously granted Option if the Optionee is an Insider of the Corporation at the time of the proposed reduction in the Option Price.

6.5 **Amendment of Expiration of Term of Option During Black Out Period -** Notwithstanding the provisions of Subsection 6.1(c) or the date of expiration of the Term determined in accordance with this Plan ("Fixed Term"), but subject to the limitations set forth in Section 17.1, the date of expiration of the Term will be adjusted, without being subject to Board or Committee discretion, to take into account any black out period imposed on the Optionee by the Corporation as follows:

(i) if the Fixed Term expiration date falls within a black out period imposed on the Optionee by the Corporation, then the Fixed Term expiration date is extended to the close of business on the 10th business day after the end of such black out period by the Corporation (the "**Black Out Expiration Term**"); or

(ii) if the Fixed Term expiration date falls within two business days after the end of a black out period imposed on the Optionee by the Corporation, then the Fixed Term expiration date is extended to the date which is the Black Out Expiration Term reduced by the number of business days between the Fixed Term expiration date and the end of such black out period (i.e. Options whose Fixed Term expires two business days after the end of the black out period will only have an additional eight business days to exercise).

6.6 **Uniformity** - Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

7. EXERCISE OF OPTION

7.1 **Method of Exercise** - Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof to the Corporation at its principal place of business. Options may not be exercised during a black out period unless the Committee determines otherwise.

7.2 **Compliance with U.S. Securities Laws** - As a condition to the exercise of an Option, the Committee may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. A stop-transfer order against such Shares may be placed on the central securities register of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable U.S. federal and state securities laws may be endorsed on the certificates representing such Shares to ensure an exemption from registration. The Committee also may require such other documentation as may from time to time be necessary to comply with U.S. federal and state securities laws. The Corporation has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

7.3 **Payment of Option Price** - The notice described in Section 7.1 shall be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised. Such payment shall be in lawful money (Canadian funds) by certified cheque, wire transfer or bank order.

7.4 **Issuance of Certificates** - As soon as practicable after exercise of an Option, the Corporation shall issue a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a Shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is

prior to the date the certificate is issued, except as provided by Section 10 hereof.

8. TRANSFERABILITY OF OPTIONS

8.1 **Non-Transferable** - Except as provided otherwise in this Section 8, or by applicable securities laws, Options are non-assignable and non-transferable and during an Optionee's lifetime may only be exercised by the Optionee.

8.2 **Death of Optionee** - If an Optionee dies, any Options held by such Optionee shall thereafter be exercisable, to the extent exercisable, up to one year from the date of the Optionee's death, by the Qualified Representative.

8.3 **Disability of Optionee** - If the employment of an Optionee as an employee of or Consultant to the Corporation or any Subsidiary or the position of an Optionee as a director or Executive Officer of the Corporation or any Subsidiary, is terminated by reason of such Optionee's Disability, and a Guardian has been appointed with respect to such Optionee, any Option held by such Optionee shall be exercisable, to the extent exercisable, by such Optionee, or on behalf of such Optionee by his Guardian.

8.4 **Unanimous Agreement** - If two or more Persons constitute the Qualified Representative or the Guardian of an Optionee, the rights of such Qualified Representative or such Guardian shall be exercisable only upon the unanimous agreement of such Persons.

9. TERMINATION OF OPTIONS

9.1 **Termination of Options** - To the extent not earlier exercised or terminated in accordance with Section 8 above, an Option shall terminate at the earliest of the following dates:

(a) the expiry date specified for such Option in the Option Agreement;

(b) where the Optionee's position as an employee, a director or an Executive Officer of or a Consultant to the Corporation or any Subsidiary is terminated for just cause, the date of such termination for just cause;

(c) where the Optionee's position as an employee, a director or an Executive Officer of or a Consultant to the Corporation or any Subsidiary (other than a Person employed to provide Investor Relations Activities), terminates for a reason other than the Optionee's Disability, death, or termination for just cause, 90 days after such date of termination, or in the case of a person employed to provide Investor Relations Activities, 30 days after such termination but:

(i) if an Optionee's position changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this Subsection 9.1(c);

(ii) upon the Optionee making written application to the Board or the Committee and receiving the written consent of the Board or the Committee, which consent may be given at the discretion of the Board or the Committee, at such later date as determined by the Board or the Committee which must be no later than the original expiry date of such Option when it was granted and the first anniversary of the Optionee's termination; and

(d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 above.

9.2 **Vesting -** Subject to the Board's right under Section 10.4, if an Optionee is terminated in circumstances described in Subsection 9.1(c), then such Optionee's Option shall, during the 90 day

or 30 day period (as applicable) prior to the termination of the Option, continue to vest in accordance with any vesting schedule to which such Option is subject.

9.3 **Deemed Non-Interruption of Employment** - Employment or engagement shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Corporation or any Subsidiary is guaranteed either by statute or has been agreed upon by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed or agreed upon by contract, then his or her employment shall be deemed to have terminated on the 91st day of such leave.

9.4 **Lapsed Options** - If Options expire or are surrendered or otherwise terminated without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such Options. If an Option has been surrendered and a new Option has been granted to the same Optionee on different terms than the surrendered Option, then the new Option is subject to acceptance by the TSX Venture Exchange, if applicable.

10. ADJUSTMENTS TO OPTIONS

10.1 **Alteration in Capital Structure** - If there is a material alteration in the capital structure of the Corporation resulting from a share subdivision or consolidation, recapitalization, stock dividend, combination, reclassification or otherwise, or other distribution of the Corporation's equity securities without the receipt of consideration by the Corporation, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of the holder of each such Option shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

(a) a change in the number or kind of shares of the Corporation covered by such Options; and

(b) a change in the Option Price payable but the aggregate Option Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the price per Share and the number of Shares subject thereto.

For purposes of this Section 10.1, neither (i) the issuance of additional Shares in exchange for adequate consideration (including services), nor (ii) the conversion of outstanding preferred shares of the Corporation into Shares shall be deemed to be material alterations of the capital structure of the Corporation.

10.2 **Corporate Reorganization** - In the event of a reorganization as defined in this Section 10.2 in which the Corporation is not the surviving or acquiring corporation, or in which the Corporation is or becomes a wholly-owned subsidiary of another corporation after the effective date of the reorganization, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such reorganization if the Optionee had exercised his Option immediately prior to the record date applicable to such reorganization, and the Option Price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan. For purposes of this Section 10.2, "reorganization" shall mean any statutory merger, plan of arrangement, statutory consolidation, sale of all or substantially all of the assets of the Corporation, or sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which the Corporation is or becomes a wholly-owned subsidiary of another company after the effective date of the reorganization.

10.3 **Acceleration on Change of Control** - Upon a Change in Control, all Options shall become immediately exercisable, subject to prior written approval of the TSXV if applicable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject. To the extent possible, the Committee shall give notice to Optionees of a Change in Control not less than 30 days in advance thereof.

10.4 **Acceleration of Date of Exercise** - The Board, on the recommendation of the Committee, subject to prior written approval of the TSXV if applicable, shall have the right to accelerate the date of vesting of any installment of any Option which remains unvested.

10.5 **Determinations to be Made** - Adjustments and determinations under this Section 10 shall be made by the Board, on the recommendation of the Committee, and the Board's decisions as to the adjustments or determinations which shall be made, and the extent thereof, shall be final, binding, and conclusive.

10.6 **Effect of a Take-over** - If a *bona fide* offer (the "**Offer**") for Shares is made to an Optionee or to Shareholders generally or to a class of Shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of section 92 of the British Columbia *Securities Act,* as amended from time to time, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be conditionally exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") to the Offer conditioned upon completion of the Offer within the specified time. If:

(a) the Offer is not completed within the time specified therein; or

(b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the aggregate Option Price to the Optionee paid for such Optioned Shares.

11. TERMS AND CONDITIONS OF OPTIONS GRANTED TO U.S. PARTICIPANTS

11.1 This Section 11 applies only to U.S. Participants. In this Section 11, the following words and phrases shall have the following meanings:

(a) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

(b) "**Disability**" means, with respect to any U.S. Participant, that such U.S. Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted, or can be expected to last, for a continuous period of not less than 12 months. The preceding definition of the term "Disability" is intended to comply with, and will be interpreted consistently with, Sections 22(e)(3) and 422(c)(6) of the Code.

(c) "**Incentive Stock Option**" means an Option that is intended to qualify as an "incentive stock option" pursuant to section 422 of the Code.

(d) "**Non-qualified Stock Option**" means an Option that is not an Incentive Stock Option.

(e) "**Parent**" means any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, if at the time of granting the option, each of the corporations other than the Corporation owns shares possessing 50% or more of the combined voting power of all classes of shares in one of the other corporations in such chain. The preceding definition of the term "Parent" is intended to comply with, and will be interpreted consistently with, section 424(f) of the Code.

(f) "**Subsidiary**" means any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, if at the time of granting the option, each corporation (other than the last corporation) in such chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The preceding definition of the term "**Subsidiary**" is intended to comply with, and will be interpreted consistently with, section 424(f) of the Code.

(g) "**U.S. Employee**" means an individual who is an employee of the Corporation (or of any Subsidiary) for purposes of section 422 of the Code.

(h) "**U.S. Participant**" means an Optionee who is a citizen of the United States or a resident of the United States, in each case as defined in section 7701(a)(30)(A) and section 7701(b)(1)of the Code, and such other Optionees to the extent their Options awarded under the Plan are subject to U.S. federal income tax under the Code.

(i) "**10% Shareholder**" means any Person who owns, taking into account the constructive ownership rules set forth in section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Corporation (or of any Parent or Subsidiary).

11.2 Notwithstanding any other provision of this Plan to the contrary, the aggregate number of Shares available for Incentive Stock Options shall not exceed 7,022,661 Shares, subject to adjustment pursuant to Section 10 of this Plan and subject to the provisions of sections 422 and 424 of the Code.

11.3 Each Option Agreement with respect to an Option granted to a U.S. Participant shall specify whether the related Option is an Incentive Stock Option or a Non-qualified Stock Option. If no such specification is made in an Option Agreement, the related Option will be a Non-qualified Stock Option.

11.4 Except as otherwise provided in this Section 11.4, the Option Price will be not less than 100% of the Fair Market Value of a Share on the applicable Grant Date but (i) the Board may designate an Option Price below the Fair Market Value of a Share on the Grant Date if the Option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Corporation or a Subsidiary if the number of Shares covered by the Option and the Option Price are proportionately adjusted in a manner compliant with the Treasury Regulations issued under Section 409A of the Code; and (ii) the Board may grant an Option with the Option Price less than 100% of the Fair Market Value on the applicable Grant Date if such Option otherwise qualifies for exemption from Section 409A of the Code.

11.5 In addition to the other terms and conditions of this Plan (and notwithstanding any other term or condition of this Plan to the contrary), the following limitations and requirements will apply to an Incentive Stock Option:

(a) An Incentive Stock Option may be granted only to a U.S. Employee.

(b) The aggregate Fair Market Value of the Shares (determined as of the applicable Grant Date) with respect to which Incentive Stock Options are exercisable for the first time by any U.S.

Participant during any calendar year (pursuant to this Plan and all other plans of the Corporation and of any Parent or Subsidiary) will not exceed US$ 100,000 or any other limitation subsequently set forth in section 422(d) of the Code. To the extent that such limitation is exceeded, the options in excess of such limitation will be treated as Non-qualified Stock Options.

(c) The Option Price payable upon exercise of an Incentive Stock Option will be not less than 100% of the Fair Market Value of a Share on the applicable Grant Date but the Option Price payable upon exercise of an Incentive Stock Option granted to a U.S. Participant who is a 10% Shareholder on the applicable Grant Date will be not less than 110% of the Fair Market Value of a Share on the applicable Grant Date. Notwithstanding the foregoing, the Board may designate an Option Price below Fair Market Value of a Share on the Grant Date (or 110% of the Fair Market Value on the Grant Date, as applicable) if the Option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Corporation or a Subsidiary if the number of Shares covered by the Option and the Option Price are proportionately adjusted in a manner compliant with the Treasury Regulations issued under Section 424 of the Code.

(d) No Incentive Stock Option may be granted more than 10 years after the earlier of (i) the date on which the Board adopts the most recent amendment and restatement of the Plan or (ii) the date on which the Shareholders approve such most recent amendment and restatement of the Plan.

(e) An Incentive Stock Option will terminate and no longer be exercisable no later than the earlier of the term set by the Board and 10 years after the applicable Grant Date (or if the Optionee is a 10% Shareholder, five years after the applicable Grant Date).

(f) If a U.S. Participant has been granted an Incentive Stock Option and ceases to be a U.S. Employee, then, to retain its status as an Incentive Stock Option for U.S. federal tax purposes such Option must be exercised within the time limits set forth below. Failure to exercise such Incentive Stock Options within the following time limits will result in the Option ceasing to be an Incentive Stock Option. The limitations below are not intended to extend the Term as set forth in the applicable Option Certificate. The limitations below merely reflect the period during which an Option intended to be an Incentive Stock Option must be exercised (assuming it otherwise could be exercised during such period) in order retain Incentive Stock Option tax treatment.

(i) To retain its Incentive Stock Option status, an Incentive Stock Option of a U.S. Participant who ceases to be a U.S. Employee due to death must be exercised (to the extent such Incentive Stock Option was exercisable on the date of death) by the Qualified Representative of such U.S. Participant within one year following the date of death (but in no event beyond the Term of such Incentive Stock Option).

(ii) To retain its Incentive Stock Option status, an Incentive Stock Option of a U.S. Participant who ceases to be a U.S. Employee due to Disability must be exercised (to the extent such Incentive Stock Option was exercisable on the date of termination due to Disability) by such U.S. Participant (or the U.S. Participant's Guardian) within one year following the date of termination due to Disability (but in no event beyond the term of such Incentive Stock Option).

(iii) To retain its Incentive Stock Option status, an Incentive Stock Option of a U.S. Participant who ceases to be a U.S. Employee for any reason other than the death or Disability of such U.S. Participant or termination for Cause, such Incentive Stock Option must be exercised (to the extent such Incentive Stock Option was exercisable on

the date of termination) by such U.S. Participant within three months following the date of termination (but in no event beyond the term of such Incentive Stock Option).

If an Incentive Stock Option ceases to be an Incentive Stock Option by virtue of failure to timely exercise the Option as described above, but the Option remains exercisable pursuant to its terms, the Option will be treated as a Non-qualified Stock Option and the provisions set forth in the Plan or the Option Agreement will apply with respect to the period during which the Option may be exercised.

For purposes of this Subsection 11.5(f), the employment of a U.S. Participant holding an Incentive Stock Option will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Corporation that does not exceed 90 days in the aggregate but if re-employment upon the expiration of any such leave is guaranteed by contract or applicable law, such 90 day limitation will not apply, or (b) a transfer from one office of the Corporation (or of any Parent or Subsidiary) to another office of the Corporation (or of any Parent or Subsidiary) or a transfer between the Corporation and any Parent or Subsidiary.

For greater clarity, under no circumstances shall the above limitations with respect to the period of time in which an Incentive Stock Option must be exercised to retain its status as an Incentive Stock Option be construed to extend the time during which an Option may be exercised pursuant to its terms as set forth in the Plan or applicable Option Agreement.

(g) An Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant.

(h) An Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution.

11.6 If this Plan is not approved by the Shareholders as required by Section 422 of the Code within 12 months after the date on which this Plan is adopted by the Board, any Incentive Stock Option granted under this Plan will automatically be deemed to be a Non-qualified Stock Option.

11.7 Any adjustment, amendment or termination of outstanding Options granted to U.S. Participants will occur only if such actions are undertaken in accordance with Code Section 409A on a basis consistent with the regulations thereunder.

12. APPROVALS, TERMINATION AND AMENDMENT OF PLAN

12.2 **Power to Terminate or Amend Plan** - Subject to the approval of any stock exchange on which the Corporation's securities are listed, the Board may terminate, suspend or amend the terms of the Plan but, except as provided in Section 10 above, and as long as the Corporation is a "reporting issuer" under the securities laws of any jurisdiction in Canada, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval ("**Shareholder Approval**") by the affirmative votes of the holders of a majority of the voting securities of the Corporation present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval:

(a) increase the aggregate number of Shares which may be issued under the Plan;

(b) materially modify the requirements as to eligibility for participation in the Plan; or

(c) materially increase the benefits accruing to participants under the Plan.

However, the Board may amend the terms of the Plan or of an Option granted under the Plan where permitted under the rules of any applicable regulatory authority without obtaining Shareholder Approval to such amendment in circumstances other than as set forth above, including but not limited to:

(d) amendments of a housekeeping nature to the Plan;

(e) a change to the vesting provisions of an Option or the Plan, subject to prior written approval of the TSXV if applicable; and

(f) a change to the termination provisions of an Option which does not entail an extension beyond the original expiry date of the Option.

12.2 **No Grant During Suspension of Plan** - No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

12.3 **No Options Granted After 10 Years** – No Option may be granted under this Plan after the date that is 10 years from the date the Plan is adopted by the Board or approved by the Shareholders, whichever is earlier.

13. CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

13.1 **Compliance with Laws** - Shares shall not be issued pursuant to the exercise of an Option unless the Shares are fully paid and non-assessable and the exercise of such Option and the issuance and delivery of such Shares shall comply with all relevant provisions of law, including, without limitation, the United States Securities Act of 1933, as amended, any applicable provincial or state securities or corporate laws, the rules and regulations promulgated thereunder and the requirements of any stock exchange upon which such Shares may then be listed or otherwise traded.

13.2 **Regulatory Approval to Issuance of Shares -** The Corporation's inability to obtain authority from any securities regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Shares issued under this Plan, shall relieve the Corporation of any liability with respect to the failure to issue or sell such Shares.

14. USE OF PROCEEDS

14.1 **Use of Proceeds** - Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Corporation and shall be used for general corporate purposes.

15. NOTICES

15.1 **Notices** - All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either served personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; faxed or electronically transmitted, in which case notice shall be deemed to have been duly given on the date the facsimile or electronic transmission is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given

on the tenth postal delivery day following the date of such mailing.

16. MISCELLANEOUS PROVISIONS

16.1 **No Obligation to Exercise** - Optionees shall be under no obligation to exercise Options granted under this Plan.

16.2 **No Obligation to Retain Optionee** - Nothing contained in this Plan shall obligate the Corporation or any Subsidiary to retain an Optionee as an employee, officer, director, or consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation or any Subsidiary to reduce such Optionee's compensation.

16.3 **Binding Agreement** - The provisions of this Plan and the terms set out in each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Representative or Guardian of such Optionee.

16.4 **Use of Terms** - Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

16.5 **Headings** - The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

16.6 **No Representation or Warranty** - The Corporation makes no representation or warranty as to the future market value of any Shares issued or issuable in accordance with the provisions of this Plan.

16.7 **Governing Law** - This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

16.8 **Withholding** - If the Corporation or any of its Subsidiaries, as applicable, shall be required to withhold any amounts by reason of any federal, provincial, state, local or other laws of any jurisdiction concerning taxes, social security contributions or other source deductions in respect of the issuance or delivery of the Options or Shares to the Optionee, the Corporation or the Subsidiary, as applicable, may deduct and withhold such amount or amounts from any payment made by the Corporation or a Subsidiary to such Optionee, whether or not such payment is made pursuant to this Plan. In addition, or as an alternative to such withholding from payments, the Corporation or a Subsidiary with a withholding obligation as described above may require an Optionee, as a condition of exercise of an Option, to pay to the Corporation or the Subsidiary, as the case may be, an amount equal to the total of the withholding obligation of the Corporation or Subsidiary in respect of the issuance or delivery of the Options or Shares to the Optionee, or to reimburse the Corporation or Subsidiary for such amount. Under no circumstances shall the Corporation of Subsidiary be responsible for funding the payment of any tax, social security contributions or other source deductions on behalf of the Optionee or for providing any tax advice to the Optionee.

17. CALIFORNIA OPTIONS

Notwithstanding any other provision of this Plan, the provisions of this Section 17 shall apply to any Option granted or proposed to be granted to a Person in California, unless such Option is otherwise exempt from the applicable securities laws of California (a "California Option").

17.1 **Maximum Exercise Period** - A California Option may not be exercised more than 10 years after the Grant Date.

17.2 **Post-Termination Exercise Period** – Unless employment is terminated for cause as defined by applicable law, the terms of the Plan or Option Agreement or a contract of employment, the right to

exercise a California Option in the event of termination of employment of the Optionee, to the extent that the Optionee is entitled to exercise on the date employment terminates, continues until at least the earlier of the expiration of the Term of the California Option or:

(a) at least six months from the date of termination, if termination was caused by death or disability; or

(b) at least 30 days from the date of termination, if termination was caused by other than death or disability.

17.3 **Shareholder Approval / Grant Limitations** – The Corporation will not grant California Options unless:

(a) the Corporation is a foreign private issuer, as defined by Rule 3b-4 of the Securities Exchange Act of 1934, as amended, on the Grant Date of the California Option, and the aggregate number of persons in California granted options under all option plans and agreements and issued securities under all purchase and bonus plans and agreements of the Corporation does not exceed 35; or

(b) prior to or within 12 months of the granting of the first California Option under the Plan, the Plan is approved by a majority of the Corporation's outstanding securities entitled to vote, not counting for the purpose of calculating such vote any securities issued upon exercise of Options granted in California.

EXHIBIT A

OPTION AGREEMENT

_____, 20__

[Name]
[Address]

Dear Optionee:

Re: Grant of Stock Option to you by the Corporation

NervGen Pharma Corp. (the "**Corporation**") hereby offers you a non-assignable option to purchase common shares in the capital of the Corporation pursuant to the Corporation's Stock Option Plan (the "**Plan**"), a copy of which is enclosed with this Agreement. You and the Corporation confirm that you are a *bona fide* Director, Officer, Employee or Consultant, as defined in the Plan.

Your stock option is subject to the terms and conditions of the Plan, which are deemed to be incorporated in this Agreement, and to the following specific provisions:

Grant Date: **_____, 20__**

Number of Shares: **_____**

Option Price: **C$ ____ per share**

Expiry Time: **4:00 p.m. (Vancouver time) _____, 20__**

Vesting: **_____**

Subject to first vesting, your stock option may be exercised in whole or in part at any time before the Expiry Time by notice in writing to the Corporation. Such notice shall specify the number of shares with respect to which you are exercising your stock option and must be accompanied by a certified cheque, wire transfer or bank order in favour of the Corporation payable in Canadian funds in full payment of the Option Price for the number of shares then being purchased.

There may be restrictions imposed under securities legislation of Canada and your country of residence on your ability to sell shares acquired on exercise of this stock option. If you are in doubt about the applicable requirements, you should consult a lawyer.

You acknowledge and consent to the Corporation:

(a) collecting your personal information ("**Personal Information**") for the purposes of this Agreement;

(b) retaining the personal information for as long as permitted or required by applicable law or business practices; and

(c) providing to various governmental and regulatory authorities, as may be required by applicable securities laws, stock exchange rules, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by you.

You also acknowledge that you have been notified by the Corporation:

(a) of the delivery of the Personal Information to all applicable securities regulatory authorities or regulators;

(b) that the Personal Information is being collected by the securities regulatory authority or regulator under the authority granted in Canadian securities legislation for the purposes of the administration and enforcement of applicable Canadian securities legislation; and

(c) of the contact information of the public official in each applicable Canadian jurisdiction who can answer questions about this indirect collection of Personal Information is set out in the attached schedule.

If you choose to accept this stock option, please sign in the space provided below.

NERVGEN PHARMA CORP.

Per: _____
Authorized Signatory

I hereby ACCEPT the above stock option **and AGREE** to the terms and conditions described above, including the terms and conditions of the Plan.

_____
Optionee's Signature

Schedule
Contact Information of Public Officials Regarding Indirect Collection of Personal Information

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454 Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information:
FOIP Coordinator

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information:
Director

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700, Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189 Facsimile: 709-729-6187
Public official contact regarding indirect collection of information:
Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768 Facsimile: 902-424-4625
Public official contact regarding indirect collection of information:
Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314 Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information:
Inquiries Officer

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514-395-0337 or 1-877-525-0337
Facsimile: 514-864-6381
Email: financementdessocietes@lautorite.qc.ca
Public official contact regarding indirect collection of information:
Secrétaire générale

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466 Facsimile: 867-393-6251
Email: securities@gov.yk.ca
Public official contact regarding indirect collection of information: **Superintendent of Securities**

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854 Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information:

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060 Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information:
Chief Executive Officer and Privacy Officer

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305 Facsimile: 867-873-0243
Public official contact regarding indirect collection of information:
Superintendent of Securities

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590 Facsimile: 867-975-6594
Public official contact regarding indirect collection of information:
Superintendent of Securities

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569 Facsimile: 902-368-5283
Public official contact regarding indirect collection of information:
Superintendent of Securities

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 – 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306-787-5842 Facsimile: 306-787-5899
Public official contact regarding indirect collection of information:
Director

EXHIBIT B

OPTION AGREEMENT
(U.S. Participant)

_____, 20__

[Name]
[Address]

Dear Optionee:

Re: Grant of Stock Option to you by the Corporation

NervGen Pharma Corp. (the "**Corporation**") hereby offers you a non-assignable option to purchase common shares in the capital of the Corporation pursuant to the Corporation's Stock Option Plan (the "**Plan**"), a copy of which is enclosed with this Agreement. You and the Corporation confirm that you are a *bona fide* Director, Officer, Employee or Consultant, as defined in the Plan.

Your stock option is subject to the terms and conditions of the Plan, which are deemed to be incorporated in this Agreement, and to the following specific provisions:

Grant Date: **_____, 20__**

Number of Shares: **_____**

Option Price: **C$ ____ per share**

Expiry Time: **4:00 p.m. (Vancouver time) _____, 20__**

Type of Option: [ ] Incentive Stock Option
[ ] Non-qualified Stock Option

Vesting: **_____**

Subject to first vesting, your stock option may be exercised in whole or in part at any time before the Expiry Time by notice in writing to the Corporation. Such notice shall specify the number of shares with respect to which you are exercising your stock option and must be accompanied by a certified cheque, wire transfer or bank order in favour of the Corporation payable in Canadian funds in full payment of the Option Price for the number of shares then being purchased.

There may be restrictions imposed under securities legislation of Canada and your country of residence on your ability to sell shares acquired on exercise of this stock option. If you are in doubt about the applicable requirements, you should consult a lawyer.

You hereby represent and warrant to, and covenant with, the Corporation (and it is a condition of exercising your stock option and the Corporation may require you to execute an instrument in a form acceptable to it confirming the following) that you are currently or at the time of exercise of the options in the U.S. or a U.S. resident, you:

(a) understand and agree that the options and the underlying shares are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "**U.S. Securities Act**");

(b) will acquire any shares upon the exercise of your option as an investment and not with a view

to distribution;

(c) will not offer or sell or otherwise dispose of the shares unless the shares are subsequently registered under the U.S. Securities Act and applicable U.S. state securities laws or an exemption from registration is available;

(d) consent to the placing of a restrictive legend on any share certificates issued to you or a stop transfer on any shares issued to you; and

(e) acknowledge that securities laws applicable to you or the Corporation may require you to hold any shares issued to you for a certain period prior to resale thereof.

You acknowledge and consent to the Corporation:

(a) collecting your personal information ("**Personal Information**") for the purposes of this Agreement;

(b) retaining the personal information for as long as permitted or required by applicable law or business practices; and

(c) providing to various governmental and regulatory authorities, as may be required by applicable securities laws, stock exchange rules, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by you.

You also acknowledge that you have been notified by the Corporation:

(a) of the delivery of the Personal Information to all applicable securities regulatory authorities or regulators;

(b) that the Personal Information is being collected by the securities regulatory authority or regulator under the authority granted in Canadian securities legislation for the purposes of the administration and enforcement of applicable Canadian securities legislation; and

(c) that the contact information of the public official in British Columbia who can answer questions about this indirect collection of Personal Information is:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854 Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

If you choose to accept this stock option, please sign in the space provided below.

NERVGEN PHARMA CORP.

Per: _____
Authorized Signatory

I hereby ACCEPT the above stock option **and AGREE** to the terms and conditions described above, including the terms and conditions of the Plan.

_____
Optionee's Signature

APPENDIX B
AUDIT COMMITTEE CHARTER

Effective September 26, 2018, the Board adopted the following as the Audit Committee's Charter.

Composition and Process

(a) The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") is a director who has no direct or indirect material relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a member's independent judgment or as otherwise determined to be independent in accordance with NI 52-110.

(b) Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.

(c) The Chairperson shall be appointed by the Board of Directors for a one-year term and may serve any number of consecutive terms.

(d) All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company's financial statements.

(e) The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

(f) The Audit Committee shall meet at least once per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.

(g) The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

(h) The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.

(i) The Audit Committee enquires about potential claims, assessments and other contingent liabilities.

(j) The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.

(k) The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

Authority

(l) Appointed by the Board of Directors pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the by-laws of the Company.

(m) Primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

(n) In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

(o) The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.

(p) The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.

(q) The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Company as directed by the Audit Committee.

Relationship with External Auditors

(r) An external auditor must report directly to the Audit Committee.

(s) The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.

(t) The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

Accounting Systems, Internal Controls and Procedures

(u) Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.

(v) The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.

(w) Direct the external auditor's examinations to particular areas.

(x) Review control weaknesses identified by the external auditor, together with management's response.

(y) Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.

(z) In order to preserve the independence of the external auditor the Audit Committee will:

  (i) recommend to the Board of Directors the external auditor to be nominated; and

  (ii) recommend to the Board of Directors the compensation of the external auditor's engagement;

(aa) The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.

(bb) Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.

(cc) The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Company.

(dd) The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(ee) The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

Statutory and Regulatory Responsibilities

(ff) Annual Financial Information - review the annual audited financial statements and related management's discussion and analysis ("MD&A"), including any letter to shareholders and related press releases, and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.

(gg) Annual Report - review the management MD&A section and all other relevant sections of the annual report, if prepared, to ensure consistency of all financial information included in the annual report.

(hh) Interim Financial Statements - review the quarterly interim financial statements and related MD&A, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.

(ii) Earnings Guidance/Forecasts - review forecasted financial information and forward-looking statements.

(jj) Review the Company's financial statements, MD&A and earnings press releases before the Company publicly discloses this information.

Reporting

(kk) Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.

(ll) Report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharged them.

(mm) Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

Other Responsibilities

(nn) Investigating fraud, illegal acts or conflicts of interest.

(oo) Discussing selected issues with corporate counsel or the external auditor or management.

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