Interim Condensed Consolidated Financial statements of

NervGen Pharma Corp.

(Expressed in Canadian Dollars)

(unaudited)

For the three and nine months ended September 30, 2018

NERVGEN PHARMA CORP.

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian dollars) (unaudited)

as at	**September 30, 2018**	December 31, 2017
	$	$
Assets		
Current assets		
Cash	**3,121,534**	-
Accounts receivable	**11,669**	-
Prepaids (Notes 6, 11)	**35,013**	-
	3,168,216	-
Non-current assets		
Intangible assets (Note 7)	**556,349**	-
Deferred acquisition costs (Note 7)	**-**	83,249
	556,349	83,249
	3,724,565	83,249
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	**308,907**	57,497
Due to related parties (Note 11)	**32,462**	37,565
	341,369	95,062
Non-current liabilities		
License fee payable (Note 7)	**129,407**	-
	129,407	-
	470,776	**95,062**
Shareholders' Equity (Deficiency)		
Common shares (Note 9)	**3,846,630**	-
Contributed Surplus (Note 10)	**9,487**	-
Deficit	**(602,328)**	(11,813)
	3,253,789	**(11,813)**
	3,724,565	**83,249**

Nature of business (Note 1)

Subsequent events (Note 13)

Approved by the Board

/s/ William J. Radvak Director *Is/ Brian E. Bayley* Director

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

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

	For the 3 Months Ended September 30, 2018	For the 3 Months Ended September 30, 2017	**For the 9 Months Ended September 30, 2018**	From Incorporation on January 19, 2017 to September 30, 2017
	$	$	**$**	$
Expenses				
General and administration (Note 12)	**230,301**	3,367	**297,312**	5,432
Research and development (Note 12)	**285,240**	-	**293,203**	-
Net loss and comprehensive loss for the period	**(515,541)**	**(3,367)**	**(590,515)**	**(5,432)**
Basic and diluted net loss per share	**(0.04)**	(1,684)	**(0.12)**	(2,716)
Weighted average common shares outstanding (Note 9)	**12,820,118**	2	**4,986,942**	2

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

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

	For the 9 Months Ended September 30, 2018	From Incorporation on January 19, 2017 to September 30, 2017
	$	$
Operating activities		
Loss for the period	**(590,515)**	(5,432)
Items not involving cash:		
Amortization of intangible asset	**10,220**	-
Stock based compensation	**9,487**	-
Unrealized foreign exchange	**7,754**	-
Changes in non-cash working capital:		
Accounts receivable	**(11,669)**	-
Prepaid expenses	**(35,013)**	-
Due to related parties	**80,929**	5,432
Accounts payable and accrued liabilities	**180,259**	-
	(348,548)	-
Investing activities		
Payments to acquire intangible asset	**(113,632)**	-
	(113,632)	-
Financing activities		
Proceeds from issuance of common shares	**3,591,468**	-
	3,591,468	-
Effect of foreign exchange on cash	**(7,754)**	-
Net increase in cash	**3,121,534**	-
Cash, beginning of period	**-**	-
Cash, end of period	**3,121,534**	-

	$	$
Cash paid for interest and taxes	-	-
Non-cash transactions:		
Shares issued for intangible asset	169,130	-
Accrual for binding license obligations	200,558	-
Shares issued for settlement of amount due to related parties	86,032	-
Reclassification of deferred acquisition costs to intangible asset	83,249	-

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

NERVGEN PHARMA CORP.

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars) (unaudited)

	Common Shares		Contributed		Total Shareholders'
	Number	Amount	Surplus	Deficit	Equity (Deficiency)
		$	$	$	$
Opening balance January 19, 2017 (1)	2	-	-	-	-
Loss and comprehensive loss			-	(5,432)	(5,432)
Balance September 30, 2017	**2**	**-**	**-**	**(5,432)**	**(5,432)**
Loss and comprehensive loss			-	(6,382)	(6,382)
Balance December 31, 2017	**2**	**-**	**-**	**(11,813)**	**(11,813)**
Stock based compensation	-	-	9,487	-	9,487
Common share financings	16,599,998	3,677,500	-	-	3,677,500
Common shares issued for license	601,659	169,130	-	-	169,130
Loss and comprehensive loss	-	-	-	(590,515)	(590,515)
Balance September 30, 2018	**17,201,659**	**3,846,630**	**9,487**	**(602,328)**	**3,253,789**

(1) issued at $0.01 per share

The accompanying notes are an integral part of these financial statements

1. Nature of business

NervGen Pharma Corp. (the "Company" or "NervGen") is a private company incorporated on January 19, 2017 as 1104403 B.C. Ltd. under the *Business Corporations Act* (British Columbia). The name was changed to NervGen Pharma Corp. on November 17, 2017. The corporate office of the Company is Suite 1703, 595 Burrard Street, Vancouver, BC, V7X 1J1, Canada, and the registered office is located at Suite 704, 595 Howe Street, Vancouver, BC, V6C 2T5, Canada.

The Company's principal business activity is the discovery, development and commercialization of pharmaceutical products for the treatment of nerve injuries. NervGen is advancing a drug candidate called NVG-291 initially for the treatment of spinal cord injury while exploiting its technologies to identify additional therapeutic candidates for other related medical conditions.

2. Basis of presentation and significant accounting policies

a) *Statement of compliance*

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting and Interpretations Committee ("IFRIC").

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the parent company, NervGen Pharma Corp. and its wholly owned subsidiary, NervGen US Inc., is the Canadian dollar. The presentation currency of the Company is the Canadian dollar.

The financial statements were approved by the Company's Board of Directors and authorized for issue on February 19, 2019.

b) *Going Concern*

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

Management has forecasted that the Company's current level of cash will not be sufficient to execute its current planned expenditures for the next 12 months without further financing being obtained. The Company is currently in discussion with several potential investors and partners to provide additional funding. Management believes that it will complete one or more of these arrangements in sufficient time to continue to execute its planned expenditures. However, there can be no assurance that the capital will be available as necessary to meet these continuing expenditures, or if the capital is available, that it will be on terms acceptable to the Company. The issuance of common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs. As a result, these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These interim condensed consolidated financial statements do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and settle its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such amounts could be material.

2. Basis of presentation and significant accounting policies cont'd

c) *Functional currency*

Management considers the determination of the functional currency of the Company a significant judgment. Management has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and considered various factors including the currency of historical and future expenditures and the currency in which funds from financing activities are generated. A Company's functional currency is only changed when there is a material change in the underlying transactions, events and conditions.

d) *Significant accounting judgements, estimates and assumptions*

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

The interim condensed consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future, and other key sources of estimation uncertainty as of the date of the statement of financial position that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next fiscal year arise in connection with intangible assets, valuation of deferred tax and the determination of the functional currency of the Company. Significant estimates also take place in connection with the valuation of stock-based compensation.

The accompanying interim condensed consolidated financial statements are prepared in accordance with IFRS and follow the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2017, except for the adoption of IFRS 9. They do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these interim condensed consolidated financial statements. For further information, see the Company's audited financial statements including notes thereto for the year ended December 31, 2017.

e) *New accounting policy*

The following IFRS pronouncement has been adopted during 2018:

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

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

2. Basis of presentation and significant accounting policies cont'd

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

3. Accounting Standards issued for adoption in future periods

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

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

4. Capital disclosures

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

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

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

5. Financial risk management

(a) Fair value

The Company's financial instruments recognized on the statement of financial position consist of cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and license fee payable. The fair value of these instruments, approximate their carry values due to their short-term maturity, with the exception of the license fee payable, which is discounted using a valuation model.

Classification of financial instruments

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Financial risk management cont'd

The Company has exposure to the following risks from its use of financial instruments: credit, interest rate, currency and liquidity risk. The Company reviews its risk management framework on a quarterly basis and makes adjustments as necessary.

(b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations.

The Company will manage credit risk associated with its cash by maintaining minimum standards of R1-med or A-high investments and the Company will invest only in highly rated Canadian corporations which are capable of prompt liquidation.

(c) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company believes that its exposure to interest rate risk is not significant.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The ability to do so relies on the Company maintaining sufficient cash in excess of anticipated needs. As at September 30, 2018, the Company's liabilities consist of, accounts payable, accrued liabilities and amounts due to shareholders that have contracted maturities of less than one year. Additionally, it has long term license fee payable of $129,407.

(e) Currency risk

Currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk from employee costs as well as the purchase of goods and services primarily in the United States and cash balances held in foreign currencies. Fluctuations in the U.S. dollar exchange rate could have a significant impact on the Company's results. Assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in an increase or decrease in loss and comprehensive loss for the nine months ended September 30, 2018 of $102,000 (September 30, 2017 - $Nil).

Balances in U.S. dollars are as follows:

	September 30, 2018 $U.S.	December 31, 2017 $U.S.
Cash	**1,054,661**	-
Accounts payable and accrued liabilities	**(266,901)**	-
	787,760	-

6. Prepaid expenses

	September 30, 2018 $	December 31, 2017 $
Prepaid insurance	**1,125**	-
Prepaid consulting to related parties (Note 11)	**33,888**	-
	35,013	-

(Expressed in Canadian Dollars) (unaudited)

7. Intangible asset

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

Case Western Reserve was issued 439,000 common shares of the Company valued at $87,800 on closing and a cash payment of $32,920 (U.S. $25,000). An additional 162,659 common shares valued at $81,330 were issued on September 13, 2018. This share issuance fulfilled the Company's final requirement to issue anti-dilution shares to Case Western Reserve. No further anti-dilution shares are required to be issued under this agreement.

Case Western Reserve has been granted a pre-emptive right to maintain its percentage ownership and participate in any further financings on the same terms as other investors until the Company completes an initial public offering.

The Company has agreed to reimburse certain past expenses incurred by Case Western Reserve in stages over a period of three years, subject to an acceleration clause, in addition to advance minimum royalty payments escalating over time. As of September 30, 2018, the long term binding portion of these obligations is $129,407.

Additional cash payments are payable to Case Western Reserve pursuant to completion of development and sales milestones and tiered royalties are payable on net sales.

The license costs are being amortized straight-line over a remaining minimum life of the licensed patent of 15 years. During the period ended September 30, 2018, the Company recognized amortization of $10,220 (2017 - $nil).

Continuity of the intangible asset is as follows:

Intangible asset – Case Western Reserve license	Total
Balance, December 31, 2017	**$ -**
Allocation of deferred acquisition costs	83,249
Upfront cash fee	32,920
Legal fees	22,455
Binding acquisition obligations	258,815
Shares issued for acquisition	169,130
Amortization expense	(10,220)
Balance, September 30, 2018	**$ 556,349**

8. Accounts payable and accrued liabilities

	September 30, 2018 **$**	December 31, 2017 $
Accounts payable and accrued liabilities	**308,907**	57,497

(Expressed in Canadian Dollars) (unaudited)

9. Share capital

Authorized

Unlimited common shares.

Equity Issuances

Fiscal 2018
The Company issued 16,599,998 common shares for cash proceeds of $3,591,468 and settlement of amounts due to related parties of $86,032. A total of 601,659 common shares were issued for license acquisition, valued at $169,130.

Fiscal 2017
During the period ended December 31, 2017, the Company issued 2 common shares for $0.01 per share.

Calculation of loss per share

Loss per common share is calculated using the weighted average number of common shares outstanding. For the nine months ended September 30, 2018 the calculation was as follows.

	September 30, 2018
Common shares issued and outstanding, beginning of period	2
Shares issued	17,201,657
Common shares issued and outstanding, end of period	**17,201,659**
Weighted average shares outstanding, end of period	**4,986,942**

10. Stock options

During the three and nine months ended September 30, 2018 the Company granted stock options to purchase 350,000 common shares exercisable at $0.50 per share, with a 5-year life and a fair value of $126,000 using the Black-Scholes option pricing model. 200,000 options vest 25% on the earlier of IPO and April 1, 2019 and 25% on each anniversary thereafter, 50,000 options vest 100% on the earlier of IPO and April 1, 2019 and 100,000 options vest 50% on the earlier of IPO and April 1, 2018 and 50% on August 21, 2019.

During the nine months ended September 30, 2018, the Company recognized $9,487 in share based compensation expense.

The fair value of options granted is estimated on the grant date using the Black-Scholes option pricing model using the following variables:

	For the nine months ended	
	2018	**2017**
Risk-free interest rate	1.75%	-
Expected option life in years	5 years	-
Expected stock price volatility	94%	-
Expected forfeiture rate	15%	-

(Expressed in Canadian Dollars) (unaudited)

10. Stock options cont'd

The following is a summary of stock options activities:

	Number of shares issuable pursuant to options	**Weighted average exercise price**
Outstanding at December 31, 2017	-	$ -
Granted	350,000	$ 0.05
Outstanding at September 30, 2018	350,000	$ 0.05
Exercisable	-	-

11. Related party disclosures

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

	Nine months ended September 30,		**Three months ended September 30,**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Consulting fees	**101,396**	30,000	**71,675**	5,000
Salaries	**40,569**	-	**40,568**	-
Stock option expense	**5,646**	-	**5,646**	-
Related party rent	**650**	-	**650**	-
	148,261	30,000	**118,539**	5,000

As at September 30, 2018, the Company had amounts owing or accrued to related parties of $32,462 (2017 - $37,565) pertaining to rent, consulting fees, expense reimbursements and bonuses.

Prepaid expenses to related parties are disclosed in Note 6.

12. Components of expenses

	Nine months ended September 30,		**Three months ended September 30,**	
	2018	2017	**2018**	2017
	$	$	**$**	$
General and Administration Expenses				
Amortization expense	**10,220**	-	**9,537**	-
Facilities and operations	**25,348**	-	**21,826**	-
Legal, professional and finance	**181,911**	5,432	**120,459**	3,367
Salaries and benefits	**54,013**	-	**53,385**	-
Stock based compensation	**7,567**	-	**7,567**	-
Other general and administrative	**18,253**	-	**17,527**	-
	297,312	5,432	**230,301**	3,367

(Expressed in Canadian Dollars) (unaudited)

12. Components of expenses cont'd

	Nine months ended September 30,		Three months ended September 30,	
	2018	2017	**2018**	2017
	$	$	**$**	$
Research and Development Expenses				
Pre-clinical	**150,064**	-	**142,729**	-
Chemistry, manufacturing and controls	**69,647**	-	**69,647**	-
Salaries and benefits	**70,561**	-	**69,934**	-
Stock based compensation	**1,920**	-	**1,920**	-
Other research and development	**1,011**	-	**1,010**	-
	293,203	-	**285,240**	-

13. Subsequent events

Subsequent to September 30, 2018, the Company:

- Entered into an agency agreement with Haywood Securities Inc. ("Haywood"), to act as lead agent for the Company in connection with a planned initial public offering of common shares ("IPO") and concurrent listing of the common shares of the Company on the TSX Venture Exchange. The Company has committed to pay Haywood a corporate finance fee of $40,000 in cash, of which $25,000 was paid in October 2018. Haywood will also be reimbursed for legal fees and other disbursements, not to exceed $60,000 without approval by the Company. On successful completion of the IPO, Haywood will also be entitled to a cash fee equal to 7% of the gross proceeds from the sale, and an agent compensation option entitling Haywood to purchase that number of common shares of the Company equal to 7% of the number of shares sold by it pursuant to the offering with an exercise price per share equal to the issue price of the shares sold in the offering. The agent compensation option will have a term of 24 months from the closing date.

- Granted options to purchase 1,050,000 common shares of the Company to the five directors, an executive officer and six consultants. All stock options are exercisable at a price of $1.00 per share, or such other price per share at which the Company shall carry out the planned IPO of its shares; are exercisable on or before the fifth anniversary of the date on which the IPO is carried out, and vest over varying periods of up to approximately three years from the IPO date.