

SCHEDULE C

KANE BIOTECH INC.
(the "Corporation")

SECOND AMENDED AND RESTATED STOCK OPTION PLAN

1. **The Plan**

A second amended and restated stock option plan (the "**Plan**") pursuant to which options (hereinafter, an "**Option**" or "**Options**") to purchase common shares or such other shares or other securities as may be substituted therefor or may be acquired a Participant (as defined in Section 6 hereof) upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below (collectively, the "**Shares**") in the capital of the Corporation may be granted to the Participants is hereby established on the terms and conditions herein set forth. The Plan amends and restates the amended and restated stock option plan of the Corporation dated April 21, 2021.

2. **Purpose**

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key Employees of the Corporation and Consultants (as defined herein) retained by the Corporation to acquire Shares, thereby:

- (a) increasing the proprietary interests of such Persons (as defined herein) in the Corporation;
- (b) aligning the interests of such Persons with the interests of the Corporation's shareholders generally;
- (c) encouraging such Persons to remain associated with the Corporation; and
- (d) furnishing such Persons with an additional incentive in their efforts on behalf of the Corporation.

3. **Administration**

- (a) This Plans shall be administered by the board of directors of the Corporation (the "Board").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as it shall determined its sole discretion. In addition, the Board shall have the authority to:
 - (i) construe and interpret this Plan and all option agreements entered into hereunder;
 - (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and

- (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the Chief Executive Officer and President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.
- (d) Options to purchase the Shares granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the Person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, as amended from time to time by the Board.

4. Shares Subject to Plan

- (a) Subject to Section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (b) The aggregate number of Shares reserved for issuance under this Plan shall not exceed 1,148,302, representing 1% of the issued and outstanding Shares as at the date of approval of the Plan by shareholders of the Corporation.
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

6. Eligibility and Participation

- (a) The Board may from time to time, in its sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule "A", provided that Options granted to any Participant shall be approved by the applicable shareholders of the Corporation if the policies of the TSX Venture Exchange (the "Exchange") require such approval. A reduction in the exercise price of an Option previously granted to a Participant who is currently an Insider, as defined by the Exchange, shall receive approval from the disinterested shareholder of the Corporation.

(b) **The Board may, in its discretion, select any of the following Persons to participate in this Plan, provided that any such Person, at the time of issuance, was:**

- (i) a member of the Board of the Corporation or any subsidiary of the Corporation;
- (ii) a senior officer of the Corporation or any subsidiary of the Corporation;
- (iii) an Employee of the Corporation, or any subsidiary of the Corporation;
- (iv) a Management Company Employee of the Corporation or any subsidiary of the Corporation;
- (v) a Consultant retained by the Corporation or any subsidiary of the Corporation; or
- (vi) a Consultant retained to carry out Investor Relations Activities for the Corporation.

Any such Person having been selected for participation in this Plan by the Board is herein referred to as a "**Participant**". When such Participant is an Employee, Consultant (as defined herein) or Management Company Employee, the Corporation represents that the Participant is a bona fide Employee, Consultant or Management Company Employee.

(c) **Where used herein:**

"**Consultant**" means an individual (or a company controlled by such individual) who:

- (i) Provides ongoing consulting services to the Corporation or any subsidiary of the Corporation under a written contract, and
- (ii) possesses technical, business or management expertise of value to the Corporation or any subsidiary of the Corporation, and
- (iii) spends a significant amount of time and attention on the business and affairs of the Corporation or any subsidiary of the Corporation; and
- (iv) has a relationship with the Corporation or any subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"Employee" means:

- (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source); or
- (ii) an individual who works full time for the Corporation providing services normally provided by an Employee and who is subject to the same control

and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source; or

- (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction of the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source.

"Investor Relations Activities" means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - to promote the sale of products or services of the Corporation; or
 - to raise public awareness of the Corporationthat cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (ii) activities or communications necessary to comply with the requirements of:
 - any and all securities laws applicable to the Corporation; or
 - requirements of the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, at is of general and regular paid circulation, distributed only to subscribers to it for value or to purchaser of it, if:
 - the communication is only through the newspaper, magazine or publication; and
 - the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.

"Insider" means an insider as defined in the Exchange's policies or as defined in securities legislation applicable to the Corporation, and an associate of any person thereof;

"Management Company Employees" means individuals employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities; and

"Person" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

7. Exercise Price

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price. The "Discounted Market Price" is the Market Price of the Shares, less a discount which shall not exceed 25% if the Market Price is \$0.50 or less, 20% if the Market Price is from \$0.51 to \$2.00 and 15% if the Market Price is above \$2.00. Where used herein "Market Price" means, subject to certain exceptions required by the rules of the Exchange, the last daily closing price of the Shares before the date of grant or the issuance of a news release announcing the grant, if required.

8. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to:

- (a) the aggregate number of Shares that are issuable pursuant to all of the Corporation's Security Based Compensation (as defined in TSXV Policy 4.4) granted or issued in any 12 month period to any one Participant (other than a Consultant or a Person employed in Investor Relations Activities (as hereinafter defined)) (and companies wholly owned by that Participant) shall not exceed five percent (5%) of the issued and outstanding Shares, calculated as at the date any Security Based Compensation is granted or issued to the Participant (unless the Corporation has obtained disinterested approval for such grant);
- (b) the aggregate number of Shares that are issuable pursuant to all of the Corporation's Security Based Compensation (as defined in TSXV Policy 4.4) granted or issued to Insiders (as a group) shall not exceed ten percent (10%) of the issued and outstanding Shares at any point in time (unless the Corporation has obtained disinterested approval for such grant);
- (c) the aggregate number of Shares that are issuable pursuant to all of the Corporation's Security Based Compensation (as defined in TSXV Policy 4.4) granted or issued in any 12 month period to Insiders (as a group) shall not exceed ten percent (10%) of the issued and outstanding Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider (unless the Corporation has obtained disinterested approval for such grant);

- (d) any one Consultant shall not exceed two percent (2%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis) during any twelve (12) month period; and
- (e) any persons employed in Investor Relations Activities shall not exceed an aggregate of two percent (2%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis) during any twelve (12) month period.

9. **Term**

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that:

- (a) for a Participant other than a Person employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the Exchange, if applicable, but in no event for a period exceeding ten (10) years;
- (b) for a Participant employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted. All Options issued to a Participant engaged in Investor Relations Activities must vest in stages over twelve (12) months with no more than one-fourth ($\frac{1}{4}$) of the Options vesting in any three (3) month period;
- (c) the Option Period shall be automatically reduced in accordance with Sections 11 and 12 below upon the occurrence of any of the events referred to therein; and
- (d) no Option respect of which shareholder approval is required under the rules of any Exchange shall be exercisable until such time as the Option has been approved by the shareholder of the Corporation.

10. **Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.
- (b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Winnipeg, Manitoba:
 - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and

- (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his or her legal, personal representative) shall have then paid for.

11. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant shall cease to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death or permanent disability, his or her Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the date of the expiration of the Option Period and:

- (a) for Participants other than those employed in Investor Relations Activities, a maximum of six (6) months after the date such Participant ceases to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation, or any subsidiary of the Corporation; and
- (b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be engaged in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

- (c) confer upon such Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation, or any subsidiary of the Corporation as the case may be, or
- (d) be construed as a guarantee that the Participant will continue as a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation as the case may be.

12. Death, Permanent Liability or Normal Retirement of a Participant

In the event of the death or permanent disability of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the Board (after the date of death or permanent disability of such Participant), whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's Will or by applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of his or her death or permanent disability.

13. **Rights of Participants**

No Person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such Person.

14. **Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. **Adjustments**

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (b) Adjustment under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

16. **Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable except, where qualified, to a registered retirement or similar plan where the Participant is the annuitant thereof. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's Will or by applicable law.

17. Amendment and Termination of Plan

- (a) The Board may amend the Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the Exchange.
- (b) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:
 - (i) in the event the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares to purchase in excess of 50.1% of the current issued and outstanding Shares, then all of the vested Options shall, without any further action on behalf of the Corporation, be automatically vested. Each Participant shall thereafter be entitled to exercise all of such Options within the thirty (30) day period next following the date of acceptance by the Corporation and to determine that upon the expiration of such thirty (30) day period, all rights of the Participant to such Options or to the exercise of same (to the extent not theretofore exercised) shall *ipso facto* terminate and have no further force or effect whatsoever;
 - (ii) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Shares optioned in respect of which the Participants would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of the Plan of any such sale at any time up to and including, but not after the earlier of: (A) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (B) the close of business on the expiration date of the Option; but the Participant shall not be entitled to exercise the Option with respect to any other Shares optioned;
- (c) Notwithstanding the provisions of this Article 17, should changes be required to the Plan by any securities commission, stock exchange or other government or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board;
- (d) Notwithstanding the provisions of this Article 17, if at the time the exercise price of an Option is reduced and/or the date of expiration is extended, and the holder is an

Insider of the Corporation, the Insider must not exercise the option at the reduced exercise price or after the original date of expiration until the reduction in exercise price and/or extension of the date of expiration have been approved by the disinterested shareholders of the Corporation, if required by the TSXV; and

- (e) Notwithstanding any other provisions of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to a Participant may be exercised by the Participant for a period of thirty (30) days after the date on which the Corporation shall have notified all Participants of the termination of this Plan, but only to the same extent as the Participants could have exercised such Options immediately prior to the date of such notification.

18. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority to stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

19. Stock Exchange Rules

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Exchange.

20. Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further shares of any class of the Corporation, including, without limitation, Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

21. Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Winnipeg, Manitoba (being currently: 162-196 Innovation Drive, R3T 6A8), Attention: The Chief Executive Officer and President; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such Person.

22. Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

23. Interpretation

This Plan will be governed by and construed in accordance with the laws of the Province of

Manitoba.

DATED this 25th day of May, 2022

Kane Biotech Inc.

Per: Ray Dupuis

Per: McEdward