

## MATERIAL CHANGE REPORT

### PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

1. **Name and Address of Company:**

Kane Biotech Inc. (the "Company")  
162-196 Innovation Drive  
Winnipeg, Manitoba R3T 2N2

2. **Date of Material Change:**

November 27, 2012

3. **News Release:**

The Company issued a press release regarding the material change on November 27, 2012, a copy of which is attached hereto.

4. **Summary of Material Change:**

Kane announces it has received approval from the Therapeutic Products Directorate of Health Canada for the application of KBI Antibacterial Hard Surface Disinfectant (KBI) in Hospitals, Food Processing Industries, Institutional/Industrial and Barn Facilities.

See attached Schedule "A".

5. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

6. **Omitted Information:**

Not Applicable.

7. **Executive Officer:**

Gord Froehlich, President and CEO  
Tel: (204) 453-1301

DATED at Winnipeg, Manitoba this 28<sup>th</sup> day of November, 2012.

**KANE BIOTECH INC.**

Per:                     "Gord Froehlich"                      
Gord Froehlich, President and CEO

## SCHEDULE "A"

### **Kane Biotech Receives Health Canada Approval for KBI Disinfectant Label Expansion**

**WINNIPEG, Manitoba (November 27, 2012)** - Kane Biotech Inc. (TSX-V: KNE), a biotechnology company engaged in the development and commercialization of products that prevent and remove microbial biofilms is pleased to announce it has received approval from the Therapeutic Products Directorate of Health Canada for the application of KBI Antibacterial Hard Surface Disinfectant (KBI) in Hospitals, Food Processing Industries, Institutional/Industrial and Barn Facilities.

A supplemental DIN application was submitted to Health Canada for the approval of the additional sites of use as the Drug Identification Number or DIN (02374463) was previously issued for the Canadian household domestic use market. This application included the supporting data on the broad-spectrum antimicrobial efficacy of KBI against bacteria associated with hospital-acquired infections and food-borne diseases.

"The Health Canada approval for the additional sites of use opens the doors for KBI applications in Hospitals, Hotels, Restaurants, and Food manufacturing industries" stated Gord Froehlich, President and CEO of Kane Biotech. "Our broad-spectrum disinfectant could be very useful in containing the bacterial contaminations in food manufacturing facilities resulting in food-borne disease outbreaks."

The Canadian hard surface disinfectant market is estimated at \$ 130 million per year and is driven by the recent outbreaks of infectious diseases caused by bacterial and viral pathogens. KBI Disinfectant is effective against antibiotic-resistant bacterial pathogens such as Methicillin-resistant *S. aureus* (MRSA, "superbug"), *Pseudomonas aeruginosa*, Vancomycin-Resistant Enterococci (VRE), *Klebsiella pneumoniae* and *Acinetobacter baumannii*. It is also very effective against dangerous *E. coli* O157, *Listeria* and *Salmonella* that caused recent outbreaks of food-borne diseases due to contamination in food processing facilities.

#### **About Kane Biotech Inc.**

Kane Biotech is a biotechnology company engaged in the development and commercialization of products to prevent and remove biofilms. Biofilms are a major cause of a number of serious medical problems including chronic infections and medical device related infections. They develop on surfaces such as catheters, prosthetic implants, teeth, lungs and the urogenital tract. Biofilms are pervasive, costly to deal with and are involved in approximately 80% of all human bacterial infections. The healing of chronic wounds alone costs the United States health care system \$20 Billion per year.

Kane Biotech uses patent protected technologies based on molecular mechanisms of biofilm formation/dispersal and methods for finding compounds that inhibit or disrupt biofilms. The Company has evidence that these technologies have potential to significantly improve the ability to prevent and/or destroy biofilms in several medical and industrial applications.

#### **For more information, please contact:**

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#### *Caution Regarding Forward-Looking Information*

*Certain statements contained in this press release constitute forward-looking information within the meaning of applicable Canadian provincial securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, our objectives, goals, targets, strategies, intentions, plans, beliefs, estimates and outlook, including, without limitation, our anticipated future operating results, and can, in some cases, be identified by the use of words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.*

*These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: Kane's early stage of development, lack of product revenues and history of operating losses, uncertainties related to clinical trials and product development, rapid technological change, uncertainties related to forecasts, competition, potential product liability, additional financing requirements and access to capital, unproven markets, supply of raw materials, income tax matters, management of growth, partnerships for development and commercialization of technology, effects of insurers' willingness to pay for products, system failures, dependence on key personnel, foreign currency risk, risks related to regulatory matters and risks related to intellectual property and other risks detailed from time to time in Kane's filings with Canadian securities regulatory authorities, as well as Kane's ability to anticipate and manage the risks associated with the foregoing. Kane cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on Kane's forward-looking statements to make decisions with respect to Kane, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.*

*These risks and uncertainties should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Kane cannot provide assurance that actual results will be consistent with these forward-looking statements. Kane undertakes no obligation to update or revise any forward-looking statement.*