

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:**

April 03, 2013

3. **News Release:**

The Company issued a press release regarding the material change on April 03, 2013, a copy of which is attached hereto.

4. **Summary of Material Change:**

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 that the DispersinB-Gentamicin combination wound gel spray has passed the primary skin irritation tests.
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 3rd day of April, 2013.

KANE BIOTECH INC.

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

SCHEDULE "A"

DispersinB[®] Combination Wound Care Product Passes Skin Irritation Tests

WINNIPEG, Manitoba (April 3, 2013) - 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 that the DispersinB-Gentamicin combination wound gel spray has passed the primary skin irritation tests. The purpose of the skin irritation test is to determine the dermal irritation potential of topical DispersinB-Gentamicin wound gel spray as required by the FDA for biocompatibility. The biocompatibility study was conducted on the combination of DispersinB antibiofilm enzyme and the broad-spectrum antibiotic Gentamicin.

The study was conducted in compliance with Good Laboratory Practices (GLP) and also in accordance with the International Organization of Standardization: Biological Evaluation of Medical Devices, Part 10: Test for Irritation and Sensitization. Based on the skin irritation index (PII) for the formulation, the irritation response was negligible, thus the DispersinB-Gentamicin wound gel spray does not cause dermal erythema or edema due to skin irritation.

Kane Biotech has two DispersinB-based wound gel spray formulations in development for the topical wound care market. The first product is the DispersinB-Gentamicin wound gel spray for topical wound care in both human and veterinary applications. DispersinB-antimicrobial combinations have shown to be effective against Methicillin-resistant *Staphylococcus aureus* (MRSA) and Methicillin-resistant *Staphylococcus pseudintermedius* (MRSP) associated with human and companion animal wound infections, respectively. The second wound care product is in collaborative development with the US Army Institute of Surgical Research for combat wound infections.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the development and commercialization of products that prevent and remove biofilms. Biofilms develop when bacteria and other microorganisms form a protective matrix that acts as a shield against attack. When in a biofilm, bacteria become highly resistant to antibiotics, biocides, disinfectants, high temperatures and host immune responses. This resiliency contributes to human health problems such as recurrent urinary tract infections, medical device associated infections and tooth decay.

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.

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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.

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