

**FORM 51-102F3
MATERIAL CHANGE REPORT**

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

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

2. **Date of Material Change:**

March 29, 2016

3. **News Release:**

The Company issued a press release regarding the material change on March 29, 2016, a copy of which is attached hereto.

4. **Summary of Material Change:**

On March 29, 2016, the Company announced an offering of rights ("Rights") to holders of its common shares ("Common Shares") of record as at 5:00 p.m. (Toronto time) on March 29, 2016, on the basis of one Right for each Common Share held (the "Rights Offering"). Each Right will entitle the holder thereof to subscribe for one Common Share upon payment of the subscription price of \$0.03 per Common Share. The Rights Offering will be conducted only in the provinces and territories of Canada.

5. **Full Description Of Material Change:**

See attached Schedule "A".

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

Not Applicable.

7. **Omitted Information:**

Not Applicable.

8. **Executive Officer:**

Mark Ahrens-Townsend, President and CEO
Tel: (204) 487-2328

DATED at Winnipeg, Manitoba this 29th day of March, 2016.

KANE BIOTECH INC.

Per: "Mark Ahrens-Townsend"
Mark Ahrens-Townsend, CEO

SCHEDULE “A”

Kane Biotech Announces Rights Offering

WINNIPEG, Manitoba – March 29, 2016 – Kane Biotech Inc. (TSX-V:KNE) (the “Company” or “Kane Biotech”) today announced that it will be offering rights (“Rights”) to holders (“Shareholders”) of its common shares (“Common Shares”) of record as at 5:00 p.m. (Toronto time) on April 5, 2016 (the “Record Date”), on the basis of one Right for each Common Share held (the “Rights Offering”). Each Right will entitle the holder thereof to subscribe for one Common Share upon payment of the subscription price of \$0.03 per Common Share. The Rights Offering will be conducted only in the provinces and territories of Canada (the “Eligible Jurisdictions”). Accordingly, and subject to the detailed provisions of Kane Biotech’s rights offering circular in respect of the Rights Offering (the “Circular”), Rights will not be delivered to, nor will they be exercisable by, persons resident outside the Eligible Jurisdictions. Rather, such Rights may be sold on their behalf.

The Rights will trade on the TSX Venture Exchange (“TSXV”) under the symbol “KNE.RT” commencing on April 1, 2016 and until 12:00 noon (Toronto time) on May 3, 2016, and the Rights will expire at 5:00 p.m. (Toronto time) on May 3, 2016 (the “Expiry Time”). Rights not exercised prior to the Expiry Time will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available, that were not subscribed for by other holders of Rights prior to the Expiry Time.

Complete details of the Rights Offering will be set out in the Circular and the rights offering notice (the “Notice”), which will be available under the Company’s profile at www.sedar.com. The Notice and accompanying rights certificate (“Rights Certificate”) will be mailed to each eligible registered Shareholder (“Registered Shareholder”) as at the Record Date. Registered Shareholders who wish to exercise their Rights must complete and forward the Rights Certificate, together with applicable funds to CST Trust Company, the rights agent of the Company, on or before the Expiry Time. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

There are currently 123,532,152 Common Shares issued and outstanding. If all of the Rights issued under the Rights Offering (123,532,152) are validly exercised, the Rights Offering will raise net proceeds of approximately \$3,605,965, after deducting estimated expenses of the Rights Offering of approximately \$100,000. The Rights Offering is subject to a minimum of 50,000,000 Rights being exercised for aggregate gross proceeds of \$1,500,000. In the event that the minimum number of Rights are not exercised, the Company will not close the Rights Offering and all funds received from the exercise of Rights will be returned to subscribers. However, Philip Renaud, the Chairman and a director of the Corporation, as well as a significant shareholder of the Corporation, has informed management of the Corporation that he will subscribe for the 28,408,146 Common Shares that he is entitled to purchase pursuant to his basic subscription privilege under the Rights Offering. He has also informed management that he and/or his associates will ensure that at least an additional 21,591,854 Common Shares are purchased pursuant to the Rights Offering so that the minimum Rights Offering will be achieved.

The Company intends to use the net proceeds of the Rights Offering for general working capital; existing payroll and overhead costs; patent and trademark filings; regulatory and insurance expenses; clinical trials for the Corporation’s products; product manufacturing; product commercialization; marketing; product development and formulation; and general working capital. While the Company intends to spend the net proceeds of the Rights Offering as described, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds of the Rights Offering may be necessary. In any event, the net proceeds of the Rights Offering will be used by the Company in furtherance of its business.

The Company also announced that it has received a loan (the “Loan”) in the amount of \$250,000 from Richard Renaud. Mr. Renaud is the father of Philip Renaud. The Loan bears interest at 10% per annum and is repayable on demand. It is anticipated that the Loan will be repaid following completion of the Rights Offering. As additional consideration for providing the Loan, Richard Renaud has been issued 1,250,000 share purchase warrants of the Company, each of which entitles Mr. Renaud to purchase one Common Share at a price of \$0.05 per Common Share for a period of one year from the date of issuance of the

Warrants.

The Company also announced that it has terminated its current private placement offering of up to 83,333,333 units ("Units") at a price of \$0.06 per Unit for gross proceeds of up to \$5,000,000. Each Unit was to be comprised of one Common Share and one half of one Common Share purchase warrant.

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.

For more information, please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 Biotech'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 Biotech's filings with Canadian securities regulatory authorities, as well as Kane Biotech's ability to anticipate and manage the risks associated with the foregoing. Kane Biotech cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on Kane Biotech's forward-looking statements to make decisions with respect to Kane Biotech, 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 Biotech cannot provide assurance that actual results will be consistent with these forward-looking statements. Kane Biotech undertakes no obligation to update or revise any forward-looking statement.

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