

Kane Biotech Announces Closing of Over-Sold Private Placement Offering

WINNIPEG, Manitoba – July 17, 2017 – Kane Biotech Inc. (TSX-V:KNE) (the “Company” or “Kane Biotech”) today announced that it has closed its previously announced private placement offering (the “Offering”) of up to 33,333,333 units (“Units”) at a price of \$0.12 per Unit for aggregate gross proceeds of \$4,000,000. At the closing, the Company issued 33,404,997 Units for aggregate gross proceeds of \$4,008,599.64. Each Unit is comprised of one common share of the Company (a “Share”) and one Share purchase warrant (a “Warrant”). Each Warrant will expire 18 months from the date the Warrant is issued (the “Expiry Date”) and will entitle the holder to purchase one Share at a price of \$0.18 up to the Expiry Date.

Mark Ahrens-Townsend, President and CEO of Kane Biotech, commented, “We are very pleased with the results of our private placement. Since the announcement of the offering, the response from interested investors in Canada, the United States and Europe to the Kane Biotech story, including its recent commercial business transactions and their corresponding financial results, has been excellent. The Company is now well positioned to execute on its business plan with focus on driving revenue, profit and shareholder value.”

The Company reserves the right to call the Warrants, at their exercise price of \$0.18 per Warrant, in the event that the Shares have traded for ten (10) consecutive trading days at a closing price at or exceeding \$0.25 per Share. If the Company wishes to call the Warrants, the Company must provide written notice to the holders of the Warrants that it is calling the Warrants. Holders of Warrants will have thirty (30) days from the date of such notice to exercise the Warrants and, in the event that any Warrants are not exercised, such Warrants shall be cancelled.

The insiders of the Corporation that participated in the Offering were Philip Renaud, the Chairman, a director and a controlling shareholder of the Company, and Mark Ahrens-Townsend, the President and Chief Executive Officer and a director of the Company. Mr. Renaud purchased 12,500,000 Units for an aggregate price of \$1,500,000 and Mr. Ahrens-Townsend purchased 250,000 Units for an aggregate price of \$30,000. As Mr. Renaud and Mr. Ahrens-Townsend are insiders of the Company, the issuance of the participation by such persons in the Offering is considered to be a “related party transaction” for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). In accordance with MI 61-101, the Company is not required to obtain a formal valuation or minority shareholder approval of the Offering due to the fact that it may rely on an exemption to those requirements contained in MI 61-101, namely that the Company, without the Offering, would be in serious financial difficulty and the Offering, including the sales of Units to Mr. Renaud and Mr. Ahrens-Townsend, is designed to improve the financial position of the Company. The Offering and the sale of the Units to Mr. Renaud and Mr. Ahrens-Townsend was approved by all of the directors of the Company, including the independent directors of the Company.

Due to greater than expected demand for the Offering, management of the Company has determined to hold a second closing of the Offering and to increase the total number of Units offered pursuant to the Offering from 33,333,333 (\$4,000,000) to 37,500,000 (\$4,500,000). Accordingly, 4,095,003 Units remain available for sale at the second closing of the Offering, which the Company anticipates holding sometime in the next 30 days. All other terms of the Offering remain the same.

The net proceeds of the Offering will be used for business development, technology and product commercialization, patent and trademark filings, regulatory expenses, clinical trials and general working capital.

The Shares and Warrants will be restricted from transfer for a period of four months and a day from the date hereof in accordance with applicable securities laws and the policies of the TSX Venture Exchange.



The closing of the Offering is subject to the final approval of the TSX Venture Exchange.

About Kane Biotech Inc.

Kane Biotech is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial 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, antimicrobials, biocides, disinfectants, high temperatures and host immune responses. This resiliency contributes to numerous human and animal health related problems such as wound care infections, recurrent urinary tract infections, tooth decay, medical device associated and hospital-acquired infections, and foodborne bacterial infections. According to the United States National Institutes of Health biofilms are estimated to be responsible for 80% of all human bacterial infections and cost individuals, industry, governments and hospitals billions of dollars each year. As such, there is significant interest in safe and effective products that can combat the biofilm problem.

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

Kane Biotech has a portfolio of biotechnologies, intellectual property (patents, patents pending, trade secrets and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions. StrixNB™, DispersinB®, Aledex®, bluestem™, AloSera™, coactiv+™ and Kane® are trademarks of Kane Biotech Inc. The Company is listed on the TSX Venture Exchange under the symbol "KNE".

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

Caution Regarding Forward-Looking Information

This press release contains certain statements regarding the use of proceeds of the Offering which constitute forward-looking information. The forward-looking information is subject to certain risks and uncertainties which could result in actual events or results differing materially from the forward-looking statements, including: (i) a lack of investor interest in the second closing of the Offering which could cause the Company to cancel the second closing; (ii) a change in the business or operations of the Company that may result in a change in the proposed use of the proceeds of the Offering; and (iii) certain other risks as disclosed in the Company's continuous disclosure documents which are available on SEDAR. The Company undertakes no obligation to update or revise any forward-looking statement contained herein.