Kane Biotech Awarded $3.8 Million in Non-Dilutive Government Funding

In the form of an interest free repayable contribution from Western Economic Diversification Canada as part of its Business Scale-up and Productivity program

WINNIPEG, Manitoba, Aug. 06, 2019 -- Kane Biotech Inc. (TSX-V:KNE), (the “Corporation” or “Kane Biotech”), a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms, is pleased to announce that they have been awarded funding from Western Economic Diversification Canada (“WD”) in the amount of $3,792,984, the total amount for which the company applied for. The official announcement was made earlier today by Terry Duguid, Parliamentary Secretary to the Minister of Status of Women and Gender Equality and Member of Parliament for Winnipeg South, on behalf of the Honourable Navdeep Bains, Minister of Innovation, Science, and Economic Development and Minister responsible for WD.

“This is a transformational event for Kane. Over the past 11 months, investors have seen the results of our efforts in animal health and this funding will enable us to do the same in human wound care. On January 17, 2019, we announced the kick-off of our new human health strategy and we’ve since made significant progress in this regard. We are thrilled to accelerate this development with the support of WD Canada. The funding received will be dedicated to furthering our work in the wound care sector, with an initial focus on enhancing our DispersinB Hydrogel, which we believe promises to be the missing link in wound care. Wound care is one of the largest markets within the Human Health sector, and the issue of biofilms in wound care has been largely unaddressed to date. We believe we can greatly enhance the current standard of care with our suite of products and we are excited to bring these unique products to market,” stated Marc Edwards, Chief Executive Officer of Kane Biotech.

The funding is in the form of an interest-free repayable contribution and will be provided to Kane Biotech over three years on an expense-incurred basis retroactive to April 1, 2019. Repayment of this contribution will take place over five years starting in April 2023. To complement this financing, Kane is seeking a strategic partner to accelerate the development and commercialization of its Human Health portfolio.

The funding through WD will be used to assist Kane in expanding from the Animal Health sector into the Human Health sector with DispersinB, a unique technology that significantly improves the efficacy of antimicrobials and antibiotics in wounds by dissolving microbial biofilms. The company’s first product in the Human Health sector will be a DispersinB hydrogel which will be used as a predicate device for other wound care products such as saline rinses, surgical washes, and bandages as well as OTC products such as facial washes and antimicrobial ointments. The Kane team will be meeting with the FDA in the fall and will be able to provide a more accurate timeline regarding product rollouts following this meeting.

“I’m very excited about Kane’s future. We’re in the right market, biofilms, and we have an incredible team of highly dedicated people committed to developing and commercializing our very promising technologies. I’d like to thank the entire Kane team for making this funding possible. In particular, I want to highlight the contributions of Jennifer McFarland, Ray Dupuis, Robert Huizinga, Nanda Yakandawala, and Gordon Guay. I would also like to thank Philip Renaud, our Chairman, for his continued guidance and financial support, both of which have been integral in Kane’s transformation,” Marc concluded.

About Kane Biotech

Kane Biotech is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. The Corporation has a portfolio of biotechnologies, intellectual property (56 patents and patents pending, trade secrets and trademarks) and products developed by the Corporation’s own biofilm research expertise and acquired from leading research institutions. StrixNB(TM), DispersinB(R), Aledex(R), bluestem(TM), AloSera(TM), coactiv+(TM) and Kane(R) are trademarks of Kane Biotech Inc. The Corporation is listed on the TSX Venture Exchange under the symbol "KNE".

About Western Economic Diversification Canada

For more than 30 years, Western Economic Diversification Canada has been working to diversify the western economy while improving the quality of life of western Canadians. WD aims to be a leader in building a strong, competitive West by focusing on business development, innovation and community development. WD is a federal institution that is part of the Innovation, Science, and Economic Development portfolio.

About the Business Scale-up and Productivity program

The Business Scale-up and Productivity (BSP) program builds on the Government of Canada’s Innovation and Skills Plan to help make Canada a world-leading centre for innovation that creates well-paid jobs and grows the middle class. The BSP program supports businesses at various stages of development, including high-growth firms, wanting to accelerate their growth, scale-up, and be more productive and competitive in both domestic and global markets. WD delivers the BSP program in western Canada.

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Caution Regarding Forward-Looking Information

This press release contains certain statements regarding Kane Biotech Inc. that constitute forward-looking information under applicable securities law. 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. These risks and uncertainties include, but are not limited to, risks relating to the Company's: (a) financial condition, including lack of significant revenues to date and reliance on equity and other financing; (b) business, including its early stage of development, government regulation, market acceptance for its products, rapid technological change and dependence on key personnel; (c) intellectual property including the ability of the Company to protect its intellectual property and dependence on its strategic partners; and (d) capital structure, including its lack of dividends on its common shares, volatility of the market price of its common shares and public company costs. Further information about these and other risks and uncertainties can be found in the disclosure documents filed by the Company with applicable securities regulatory authorities, available at www.sedar.com. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive