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DispersinB(R) Topical Spray Approval from Health Canada's LRVHP Program

WINNIPEG, MANITOBA -- (Marketwired) -- 01/07/14 -- Kane Biotech Inc. (TSX VENTURE: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 Notification Number "**NN.XZ5M**" from the Interim Notification Program for Low Risk Veterinary Health Products (LRVHP) for the Company's first dermatological formulation (under the brand name DispersinB). DispersinB Topical Spray is a unique antibiofilm-antimicrobial and non-antibiotic formulation that can be applied to the skin and coat of dogs and horses.

Atopic dermatitis is a genetically predisposed inflammatory and pruritic allergic skin disease. It is associated with environmental allergens including dust mites, pollens, mold spores, dander insects and microbial infections as well as cutaneous barrier defects. It is estimated that 10 to 15% of dogs are affected by atopic dermatitis. Recent research indicates the presence of staphylococci and *Malassezia* biofilm in atopic dermatitis lesions. DispersinB Topical Spray is effective on Methicillin-Resistant *Staphylococcus pseudintermedius* (MRSP) and *Malassezia pachydermatis* growth and biofilm formation. In humans, atopic dermatitis is also known as atopic eczema an inflammatory, relapsing and pruritic or itchy skin disorder.

"This new DispersinB formulation will be welcome news for the notorious atopic dermatitis skin disorder that is prevalent in many pets," stated Gord Froehlich, President and CEO of Kane Biotech. "The approval also opens the door to additional innovative DispersinB wound care opportunities as we build on our strong animal health sector collaborations to move this technology towards commercialization."

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.

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'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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