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Kane Biotech Announces Rights Offering Closing

WINNIPEG, MANITOBA -- (Marketwired) -- 05/04/16 -- Kane Biotech Inc. (TSX VENTURE:KNE) (the "Company" or "Kane Biotech") is pleased to announce the closing of its rights offering (the "Rights Offering") originally announced on March 29, 2016.

Upon closing of the Rights Offering, the Company issued 81,074,389 common shares of the Company ("Common Shares") for aggregate gross proceeds of \$2,432,231.67. The Rights Offering was not over-subscribed, as a result, all subscribers received the number of Common Shares for which they subscribed and no funds are required to be returned to investors. Pursuant to the terms of the Rights Offering, each eligible securityholder was entitled to subscribe for one Common Share for each Common Share held by such securityholder. There was no stand-by commitment for the Rights Offering.

"We are pleased with the success of the Rights Offering and sincerely thank our shareholders for their support," said Mark Ahrens-Townsend, President & CEO. "I also welcome new shareholders who have invested in the Company and contributed to its future. Over the past year Kane Biotech has moved forward on several exciting initiatives. The proceeds of the Rights Offering will enable Kane Biotech to continue building momentum in the development of its patented technologies, licensing opportunities and innovative products being brought to the market."

Pursuant to the Rights Offering, the Company issued 74,191,277 Common Shares under the basic subscription privilege and 6,883,112 Common Shares under the additional subscription privilege. As soon as practicable, the Company will disclose the number of Common Shares issued under the Rights Offering to insiders of the Company as a group under the basic subscription privilege and additional subscription privilege, to the knowledge of the Company after reasonable inquiry, as required by applicable securities laws.

Philip Renaud, Chairman, offered the following: "The Rights Offering represents Kane Biotech's largest and most successful funding event ever. As Chairman of the Board and a major backer of the Company I believe more now in the Kane Biotech opportunity than ever before. My thanks go out as well to all who have supported the Company at a critical point in its development. Management and the Board are optimistic about the future of the Company and look forward to sharing information with the market as events unfold."

The Company did not retain any person to organize or participate in the solicitation of the exercise of rights under the Rights Offering. Accordingly, the Company did not pay any fees or commissions relating to the solicitation of the exercise of rights in connection with the Rights Offering.

The Company intends to use the available funds from the Rights Offering for the purposes identified in the rights offering circular of the Company dated March 30, 2016. However, there may be circumstances where a reallocation of the available funds may be necessary. The Company will reallocate funds only for sound business reasons.

Following completion of the Rights Offering there are now 204,860,910 Common Shares issued and outstanding.

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.

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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