

February 24, 2020



Kane Biotech Announces Closing of Second and Final Tranche of Private Placement

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WINNIPEG, Manitoba, Feb. 24, 2020 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:[KNE](#)) (the "Company" or "Kane Biotech") is pleased to announce that it has closed the second tranche (the "Second Tranche") of its non-brokered private placement offering (the "Offering") previously announced on December 4, 2019, and has issued 7,081,862 units of the Company ("Units") at a price of \$0.14 per Unit to raise gross proceeds of \$991,460.68. Each Unit consists of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"), with each whole Warrant entitling the holder thereof to purchase one additional Common Share at an exercise price of \$0.18 per Common Share until February 24, 2022. At the first closing of the offering on December 19, 2019, the Company issued 17,918,137 Units for aggregate gross proceeds of \$2,508,539.18. Accordingly, the Company has issued a total of 24,999,999 Units for aggregate gross proceeds of \$3,499,999.86 pursuant to the Offering.

The net proceeds of the first closing of the Offering were used, in part, to repay a \$500,000 short-term loan to Individual Investment Corporation and to repay \$600,000 of cash advances to certain insiders of the Company. The remainder of the net proceeds of the Offering will be used for business development, technology and product commercialization, patent and trademark filings, regulatory expenses, research and development expenses and general working capital.

The securities issued in the Second Tranche of the Offering will be subject to a hold period of four months plus a day, expiring June 25, 2020. In connection with the Second Tranche of the Offering, the Company paid compensation to an eligible finder consisting of a cash commission of \$29,936.48 and 133,645 compensation warrants (the "Broker Warrants"). Each Broker Warrant is exercisable into one Common Share at \$0.18 per Common Share until February 24, 2022. The Broker Warrants are also subject to the Call Right (as defined below).

In the event that the Common Shares traded on the TSX-V have a closing price at or exceeding \$0.25 per Common Share for five (5) consecutive trading days, the Company reserves the right to call the Warrants at their exercise price of \$0.18 per Warrant (the "Call Right"). If the Company wishes to exercise its Call Right, the Company must provide written notice to the holders of the Warrants that it is calling the Warrants. Investors 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. Holders of Warrants shall be

restricted from exercising any number of Warrants that will cause the holder to own such number of Common Shares that will equal or exceed 20% of the then issued and outstanding shares.

"We are very pleased with the high level of support from both existing and new investors, as well as insiders of the Company that resulted in demand significantly outweighing supply," said Marc Edwards, CEO of Kane Biotech. "Now, with a balance sheet strengthened by this completed Offering, including the resulting extinguishment of all interest-bearing debt, combined with the non-dilutive financing we have secured to-date, we have the necessary resources to continue executing our growth strategy. As we approach a number of potential value inflection points, we are looking forward to updating our stakeholders as we progress."

This press release does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons unless registered or exempt therefrom.

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. The Company has a portfolio of biotechnologies, intellectual property (56 patents and 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®, bluestem™, AloSera™, coactive+™ 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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Caution Regarding Forward-Looking Information

This press release contains certain statements regarding Kane Biotech Inc. that constitute forward-looking information under applicable securities laws. 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 Shares, volatility of the market price of its 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.