

July 28, 2015



## Kane Biotech Announces Financing and Business Update

WINNIPEG, MANITOBA -- (Marketwired) -- 07/28/15 -- Kane Biotech Inc. (TSX VENTURE:KNE) ("Kane Biotech" or the "Company"), a biotechnology company engaged in the development and commercialization of products that prevent and remove microbial biofilms, wishes to announce the following financing initiatives and updates regarding the status of its business.

### ***Financing:***

Kane Biotech is pleased to announce the following financing initiatives:

1. A private placement to certain U.S. investors consisting of up to 16,100,000 units ("Units") of Kane Biotech at a price of \$0.07 per Unit for aggregate gross proceeds of up to \$1,127,000 on the terms set forth herein (the "Private Placement"). Each Unit shall be comprised of one common share of Kane Biotech (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one Common Share at a price of \$0.10 per Common Share for a period of 18 months from the date of issuance. The completion of the Private Placement shall be subject to the approval of the TSX Venture Exchange and compliance with all applicable Canadian and United States laws. The completion of the Private Placement will be conditional upon Kane Biotech and the U.S. investors entering into subscription agreements in a form acceptable to Kane Biotech and the U.S. investors and obtaining all necessary regulatory and other approvals, in addition to certain additional closing conditions.
2. In conjunction with the Private Placement a significant shareholder has advised the Company he is exercising 10,000,000 warrants to purchase Common Shares of the Company at a price of \$0.06 per share for aggregate gross proceeds to the Company of \$600,000.

These combined initiatives would provide Kane Biotech with up to \$1,727,000 now and the potential for a further \$1,610,000 over the next 18 months. Funds will be used for market expansion; new product formulation and development; additional research, development and supply chain resources; and increased regulatory expertise.

### ***Business Update: bluestem™ Retail Channel Growth***

Kane Biotech markets its oral care technology into the Canadian pet specialty market under the brand name bluestem™. The Company is pleased to report over 100 pet specialty stores in Canada are now selling the bluestem oral health products. Kane Biotech continues to work with its distribution partners and focus on major pet specialty chains to add more retail

locations each month. The bluestem brand is attracting increasing market interest as a safe and efficacious oral health product for dogs and cats.

The Company also announces it is in the process of planning its launch of bluestem into U.S. companion pet specialty stores which is estimated by IBISWorld in 2015 to be a \$17.5 billion (USD) and growing revenue market. IBISWorld reports, "The emerging trend of pet parents has bolstered demand for price premium pet products and services", a trend where Kane Biotech sees bluestem to be well positioned.

To learn more about bluestem please visit the bluestem exhibit booths at the Pet Industry Joint Advisory Council of Canada (PIJAC) **ExpoZoo** trade show in August in Drummondville QC or the PIJAC **Pet National Industry Trade Show** in Mississauga ON in September or visit [www.bluestempets.com](http://www.bluestempets.com).

### **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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