

December 9, 2014



## Kane Biotech Announces Closing of Private Placement Offering

WINNIPEG, MANITOBA -- (Marketwired) -- 12/09/14 -- Kane Biotech Inc. (TSX VENTURE:KNE) (the "Company" or "Kane Biotech"), a biotechnology company engaged in the development of products that prevent and remove microbial biofilms, has closed its previously announced private placement offering (the "Offering") with aggregate gross proceeds to the Company of \$1,175,000 from the sale of 23,500,000 units ("Units") at a price of \$0.05 per Unit. Each Unit is comprised of one common share of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant will expire 18 months from the date the Warrant is issued (the "Expiry Date") and will entitle the holder to purchase one Share at a price of \$0.06 up to the Expiry Date.

The net proceeds of the Offering shall be used for research and development and working capital purposes. The Shares and Warrants will be restricted from transfer for a period of four months and a day from the date hereof in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

Insiders that participated in the Offering include Philip Renaud (through a company controlled by him) and Gord Froehlich. Mr. Renaud purchased 10,000,000 Units for an aggregate price of \$500,000 and Mr. Froehlich purchased 2,000,000 Units for an aggregate price of \$100,000. As Mr. Froehlich and Mr. Renaud are insiders of the Company, the issuance of the participation by such persons in the Offering is considered to be a "related party transaction" for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). In accordance with MI 61-101, the Company is not required to obtain a formal valuation or minority approval of the transaction due to the fact that it may rely on an exemption to those requirements contained in MI 61-101, namely that the fair market value of the transaction is not more than 25% of the market capitalization of the Company.

One finder assisted the Company by introducing potential subscribers for the Offering and was paid a finder's fee of \$8,000 and issued 160,000 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one Share at a price of \$0.05 for a period of 12 months from the date of issue.

The closing of the Offering is subject to the final approval of the TSX Venture Exchange.

"We are very pleased to be able to close the financing in a very challenging market environment obtaining excellent investor support. This financing provides us with the capital to move our business forward and commercialize our novel animal health technology," stated Gord Froehlich, President and CEO of Kane Biotech.

Kane Biotech has developed five new products for the companion animal health sector. One of which is a liquid water additive, a powder and an oral spray for the \$450 million oral care market and a topical spray and shampoo for the \$250 million dermatology market. Kane Biotech's development of new products and formulations will continue expand in the future.

The Company has conducted market testing of these products to strengthen the value proposition including customer feedback, distribution models, market messaging, manufacturing SOP's and pricing models. The test marketing phase of product development has been completed and the Company is now finalizing its' marketing plans.

### ***About Kane Biotech Inc.***

Kane Biotech is a biotechnology company engaged in the development of products to prevent and disperse 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 a patent protected technology based on molecular mechanisms of biofilm formation and methods for finding compounds that inhibit or disrupt biofilms. The Company has evidence that this technology has potential to significantly improve the ability to prevent and/or destroy biofilms in several medical and industrial applications.

*The TSX Venture Exchange does not accept 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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