Management Discussion and Analysis
(Expressed in Canadian Dollars)

KANE BIOTECH INC.

Three months ended March 31, 2020 and 2019

KANE BIOTECH INC.

Management Discussion and Analysis

The following management discussion and analysis ("MD&A") covers information up to May 21, 2020 and should be read in conjunction with the financial statements for the three months ended March 31, 2020 and 2019. Except as otherwise noted, the financial information contained in this MD&A and in the financial statements has been prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.kanebiotech.com.

This MD&A has been prepared to help investors understand the financial performance of the Company in the broader context of the Company's strategic direction, the risks and opportunities as understood by management, and the key success factors that are relevant to the Company's performance. Management has prepared this document in conjunction with its broader responsibilities for the accuracy and reliability of the financial statements, as well as the development and maintenance of appropriate information systems and internal controls to ensure that the financial information is complete and reliable. The Audit Committee and the Board of Directors have reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

COVID-19 PANDEMIC

The outbreak of COVID-19, the disease caused by the novel SARS-CoV-2 strain of coronavirus was declared a global pandemic by the World Health Organization on March 11, 2020 and has resulted in a widespread health crisis that has affected economies and financial markets around the world, resulting in an economic downturn. The effects of this pandemic on the Company may include decreased customer demand, interruptions to supply chains, manufacturing activities and research and development programs and increased government regulations or interventions. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments, nor the impact of these developments on the financial results and condition of the Company in future periods.

Kane Biotech continues to monitor and implement recommendations from local and national health organizations. The Company has implemented precautionary measures such as working from home, freezing all non-essential travel, and switching to virtual meetings. As part of Kane Biotech's efforts to preserve cash, all members of the Company's management and R&D teams have agreed to partial salary deferrals and certain marketing programs have been put on hold.

The Company has also applied for certain Canadian Government COVID-19 economic relief program funding for which it meets eligibility requirements. It has received a $40,000 revolving line of credit as part of the Canada Emergency Funding Account (CEBA) program. It has applied for the Canada Emergency Wage Subsidy (CEWS) and is investigating co-lending opportunities with its bank and Export Development Canada and the Business Development Bank of Canada.

In response to the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) COVID-19 Challenges Procurement Program, Kane has identified two patented technologies in its existing pipeline that the Company believes may have some anti-viral properties. The Company has put forward proposals to evaluate KBI antibacterial disinfectant as a hard surface disinfectant for use in domestic, hospital and industrial environments and coactiv+™ as a mouth wash or nasal spray. While initially developed to prevent microbial infection, Kane Biotech believes that these technologies could also potentially play a role in preventing viral infection. Kane first submitted these projects on March 26, 2020, which were subsequently recommended for the program's Technical Overview phase. In response, Kane filed its application on May 1, 2020.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains certain forward looking information and statements within the meaning of securities law which may not be based on historical fact, including without limitation statements containing the words "believes," , "should", "may," "plan," "will," "estimate," "predict," "continue," "anticipates," "potential", "intends," "expects," or other similar expressions. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, risks associated with the completion of clinical trials and obtaining regulatory approval to market the Company's products, the ability to protect its intellectual property and dependence upon collaborative partners. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements are made as of the date hereof, and the Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-

looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates and foreign exchange rates;
- the timing of the receipt of regulatory and governmental approvals for the Company's research and development projects;
- the availability of financing for the Company's research and development projects, or the availability of financing on reasonable terms;
- the Company's costs of trials;
- the Company's ability to attract and retain skilled staff;
- market competition;
- tax benefits and tax rates;
- the Company's ongoing relations with its employees and with its business partners.

Management cautions you, the reader, that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

BUSINESS OVERVIEW

Kane Biotech Inc. ("Kane Biotech" or the "Company") is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. Biofilms are thin, slimy films that develop when bacteria and other microorganisms form a protective matrix that acts as a shield against attack. Biofilms attach to and grow on living and inert surfaces. When protected by a biofilm, bacteria become highly resistant to antibiotics, antimicrobials, biocides and host immune responses. This resiliency contributes to numerous Human and Animal Health-related problems. According to the United States National Institute of Health, biofilms are estimated to be responsible for 80% of all animal and human bacterial infections including tooth decay, wound infections, chronic inflammatory skin disorders and wounds, recurrent urinary tract infections, medical device-associated and hospital acquired infections (HAIs), and foodborne bacterial outbreaks. Biofilms cost society billions of dollars each year. As such, there is significant interest, and therefore significant opportunity, in safe and effective products that can combat the biofilm problem. Kane Biotech's mission is to capitalize on this large, addressable market by licensing its proprietary anti-biofilm technologies to global industry players.

Kane Biotech has a portfolio of biotechnologies, intellectual property (patents, patents pending and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions. StrixNB™, DispersinB®, Aledex®, bluestem™, bluestem®, AloSera™, coactiv+™ , coactiv+®, goldstem™ and silkstem™ are trademarks of Kane Biotech Inc.

The Company is listed on the TSX Venture Exchange under the symbol "KNE" and on the OTC Pink Open Market under the symbol "KNBIF".

Key Highlights of Kane Biotech include the following:

- A specialized focus on the development and continual improvement of anti-biofilm technologies, targeting large markets for biofilm prevention and dispersion solutions
- Renewed licensing agreement for DispersinB® with Rutgers University
- Awarded $3.8 million in non-dilutive funding from Western Economy Diversification Canada ("WD") in the form of interest-free repayable contributions to be repaid over five years, starting in April 2023
- Awarded a conditional research award of up to $3.8 million from an unnamed government agency
- Awarded a non-repayable contribution of up to $340,680 from the National Research Council of Canada Industrial Research Assistance Program ("NRC IRAP") to enhance its quality assurance, quality control, and supply chain capabilities
- Robust patent portfolio of differentiated anti-biofilm technologies with 57 patents issued or pending
- Unique and expanding product line in the Animal Health market with significant sales growth
- Continued product development of DispersinB® technology platforms for the Human Health market for which government funding has been awarded
    - Retained GR Consulting to develop and implement the regulatory and out-licensing strategy for DispersinB® wound care hydrogel
- First commercial licensing and distribution agreement signed in 2017, establishing a 10-year partnership with Dechra

Veterinary Products (the "Dechra Agreement") wherein Kane Biotech receives an ongoing royalty from Dechra on net sales of the Company's Vetradent™ products in North America
    - Extension of the Dechra Agreement in 2019 to include South America
- Expansion into multiple markets with mutually beneficial contractual agreements with North American and Asian distributors and retailers
- Successfully shipped its first order to Mondou, a leader in the distribution of products, services, and accessories for the health and well-being of pets in Quebec
- Successfully shipped its first major order of its bluestem™ line of products to its exclusive Chinese distribution partner, Eetoys Pet Products Limited.
- Signed first U.S. distribution agreement with King Wholesale Inc., a California-based distributor of wholesale pet supplies.
- Recently completed a $3.5 million private placement.

BUSINESS UPDATE AND STRATEGY

Kane Biotech has undergone a company-wide transformation since Marc Edwards was appointed CEO in September 2018. Mr. Edwards has implemented numerous initiatives with a sharp focus on execution and delivering results to the Company's shareholders. Mr. Edwards' main objective remains unchanged: to license the Company's biofilm-related intellectual property to strategic partners with established large-scale market and territory access.

Kane Biotech continues to be focused on two lucrative markets for its technologies: Animal Health and Human Health. In the near-term, the Company aims to: (1) generate revenue growth through sales of its premium companion animal products in the veterinary, pet specialty and e-commerce channels, and (2) finalize product development of its DispersinB® hydrogel for the human wound care market and pursue the optimal regulatory and commercialization path for this technology. The funding from WD and another unnamed government agency, which were both announced in 2019, is transformative for Kane's Human Health initiatives and has already provided the Company with the necessary resources to expand its team and focus on long-term growth in this sector.

Within the Animal Health market, Kane Biotech is focusing its efforts on growing product sales in the pet specialty and online sales channels through increased marketing efforts and continued expansion of the bluestem™ product line. With recent bluestem™ product introductions such as water additive powder, chews and dental wipes, Kane Biotech now has the most comprehensive portfolio of pet oral care products in the market. The response from retailer and online customers to Kane's expanded product line has been very positive.

In addition to growing product sales and bluestem™ product expansion, Kane Biotech will also be focused on growing royalty revenue generated by the sale of Dechra's premium veterinary oral care line. The Company aims to achieve a key milestone in the near-term - namely Veterinary Oral Health Council (VOHC) certification. The achievement of this milestone would result in Kane Biotech receiving a $500,000 USD payment pursuant to the Dechra Agreement. Kane Biotech is working with key opinion leaders in both veterinary and oral health to help achieve this milestone.

Finally, in addition to leveraging its established products and sales strategies, the Company is actively exploring growth opportunities through new applications for its intellectual property in other key growth areas within Animal Health.

In the Human Health sector, Kane Biotech is focused on the continued product development of DispersinB® for applications in chronic wound care. The Company believes that its DispersinB® applications will enhance current wound care treatments by improving the efficacy of antimicrobial and antibiotic wound treatments.

The Company is collaborating with external consultants in order to pursue the optimal regulatory path for this technology that will mitigate the risk for future partners and increase the value of a licensing agreement. Although the Company had previously planned to seek regulatory approval for its DispersinB® human wound care hydrogel as a medical device under the 510(k) pathway, the Company is currently reviewing other strategies based on market analysis provided by its consultants as well as preliminary feedback recently received from the FDA. The Company is now evaluating a number of pathways in order to determine which pathway will ultimately be more lucrative by allowing for claims and a higher price point. Kane is also conducting this review to better leverage the approximately $7 million in non-dilutive funding the Company has been awarded or selected to be awarded that is available for this program.

In addition to the Animal and Human Health markets, Kane Biotech plans to focus a portion of its resources towards the Industrial and Agriculture sectors. The Company believes its patented technologies can be applied to several solutions in these areas and,

in so doing, may successfully address multiple unmet needs.

Targeted Kane Biotech milestones and objectives for the remainder of 2020 include the following:

- Grow the Kane Biotech team with talented people in Human Health, Animal Health and R&D
- Continue to expand Animal Health product line
- Continue to grow sales of the bluestem™ product line in North America and expand sales into international markets
- Increase royalties from Dechra through increased sales and the launch of new products in the veterinary channel
- Launch of two new pet care lines – skin care and supplements with potential licensing for the veterinary market
- Launch of Kane Biotech's antibiofilm human shampoo
- Continue to protect Kane Biotech's intellectual property
- Rationalize Kane Biotech's patents, with a focus on its most promising technologies
- Work toward the achievement of the international standard of canine oral care efficacy
- Finalize the regulatory approval path for a human wound care product
- Find a strategic commercialization partner in the Human Health sector
- Raise additional capital while minimizing shareholder dilution as much as possible
- Secure additional non-dilutive financing for agricultural and industrial anti-biofilm initiatives
- Exercise of warrants from July 2017 private placement resulting in a further cash injection of up to $6 million
- Achieve positive cash flow for the Animal Health business
- Execute with cost-control and continue to optimize operating expenses

The Kane Biotech team is looking forward to fully executing the many exciting initiatives that are underway. The Company will continue to focus on product development, international market expansion and cost-effective execution. The entire team is dedicated to achieving the above-mentioned milestones throughout 2020 and to building a foundation for long-term, sustainable growth.

KANE BIOTECH TECHNOLOGIES

coactiv+™

The Company's trademarks for the companion pet oral care market are StrixNB™, bluestem® and bluestem™. The global companion pet oral care market was estimated to be $1.5 billion USD in 2017 and is projected to grow to $2.2 billion USD by 2022. This growth is largely driven by increasing pet ownership and rising awareness among pet owners about their pet's health. Rising disposable income and westernization in developing nations is further driving the global pet oral care products market. According to the American Veterinary Medical Association (AVMA), oral health is one of the top three concerns for companion animal owners. Bacteria in the mouth cavity form plaque and, as the plaque grows, this causes tartar build-up, gum infection (gingivitis) and periodontitis. By the time they are three years old, it is estimated that approximately 80% of dogs and 70% of cats develop some sort of periodontal disease.

Following Health Canada approval, the Company introduced its companion pet oral care products containing its coactiv+™ technology in Canada in 2015 under the StrixNB™ and bluestem™ brands. Health Canada approvals are in place for oral care liquid water additives, a water additive powder formulation, an oral spray formulation and a toothpaste. Kane Biotech pursued a strategy to license out its Intellectual property on a broader scale which led to the Company's StrixNB™ technology and trademarks being part of the Dechra Agreement. Dechra introduced its Vetradent™ oral care brand into the U.S. and Canadian veterinary channel in 2017. In 2019, the Dechra Agreement was extended to South America and sales of Vetradent™ products in South America are expected to commence in 2020. In conjunction with Dechra, additional formulations are in development to expand Dechra's complete oral health program of pet oral care products for veterinary clinics and dog and cat parents. Water additive powder and dental wipe products were added to the Vetradent™ product family in 2018. A dental rawhide chew was introduced in 2019. An expansion of the Vetradent™ toothpaste line throughout the U.S. market also took place in 2019.

Kane Biotech's bluestem™ brand of products are sold in approximately 2,000 pet specialty retail stores in Canada and the U.S. as well as on Amazon.com (U.S.) and Amazon.ca (Canada). In addition, Kane recently fulfilled its first major order of bluestem™ products to its exclusive Chinese distribution partner, Eetoys Pet Products Limited. Based on efficacy, safety and value, the bluestem™ products have been well received in the market. Kane will continue to grow sales of bluestem™ products globally in order to increase the value of a potential licensing agreement.

In the first quarter of 2020, the Company launched its silkstem™ anti-itch shampoo for dogs and cats, which contains its coactiv+™ technology, via the online Kickstarter crowdfunding platform. Kane's anti-biofilm formulation soothes irritation, itching, redness and

dryness associated with common companion pet skin conditions. It is the first and only pet shampoo on the market in an aerosol can, making it significantly easier to apply than other pet shampoos. Kane will commence selling silkstem™ through the pet retail channel and on amazon.ca starting in the second quarter of 2020.

In late 2019, Kane launched a consumer products test in Canada to evaluate the efficacy of its new human shampoo containing its coactiv+™ technology on symptoms associated with atopic dermatitis, seborrheic dermatitis (also known as eczema) and dandruff. More than 800 shampoo samples were sent to individuals across Canada. Based on a consumer product test questionnaire, 82% of individuals reported an overall improvement in their condition, with a reduction of dandruff, irritation, redness and itchiness symptoms.

Kane Biotech plans to offer the shampoo via online direct-to-consumer sales in Canada beginning in the third quarter of 2020. The Company plans to initiate a similar consumer products test on a larger scale in the U.S. by the third quarter of 2020. Kane plans to apply to the Government of Canada's CanExport SMEs program to support some of the marketing costs associated with the U.S. launch.

DispersinB®

Kane Biotech's trademark for the wound care market is DispersinB® for both animal and human wound care applications. The Company has started to pursue its strategy to license out its wound care intellectual property on a broader scale.

For animal applications, the use of Kane Biotech's DispersinB® technology and trademarks are part of the Dechra Agreement. The introduction of DispersinB® products for canine otic (ear) infections is planned. Additional DispersinB® products are in development.

With respect to human applications, in 2019, the Company renewed its exclusive worldwide license agreement with the University of Medicine and Dentistry of New Jersey, now part of Rutgers University, for all human, animal and industrial applications of the DispersinB® enzyme. In 2020, efforts will continue to be focused on the development of a human wound care hydrogel containing DispersinB® and on pursuing the optimal regulatory path that will ultimately lead to the commercialization of this technology.

KBI Disinfectant Technology

KBI Antibacterial Disinfectant was issued a Drug Identification Number, or DIN (02374463), in 2011 by the Therapeutic Products Directorate of Health Canada as a hard surface disinfectant for use in domestic, hospital and industrial environments.

Kane Biotech has not been actively focused on this technology over the past few years due to the Company's focus of financial and human resources on StrixNB™ and DispersinB® commercialization. However, based on the sizeable market opportunity related to KBI, management believes KBI represents significant future opportunity and value for the Company and, as a result, Kane Biotech fully intends to continue its pursuit of the commercialization of this technology in the future.

INTELLECTUAL PROPERTY

Patent #	Title	Jurisdiction
2,452,032	Synergistic Antimicrobial Compositions and Methods of Inhibiting Biofilm Formation	Canada
7,144,992	Synergistic Antimicrobial Compositions and Methods for Reducing Biofilm Formation	United States
8,906,364	Antimicrobial Compositions for Inhibiting Growth and Proliferation of Microbial Biofilms	United States
EP1906736	Antimicrobial Compositions for Inhibiting Growth and Proliferation of Microbial Biofilms	Europe
EP1906736	Antimicrobial Compositions for Inhibiting Growth and Proliferation of Microbial Biofilms	Germany
EP1906736	Antimicrobial Compositions for Inhibiting Growth and Proliferation of Microbial Biofilms	France
EP1906736	Antimicrobial Compositions for Inhibiting Growth and Proliferation of Microbial Biofilms	United Kingdom
6,923,962	Signal Peptides, Nucleic Acid Molecules and Methods for Treatment of Caries	United States
7,597,895	Signal Peptides, Nucleic Acid Molecules and Methods for Treatment of Caries	United States
7,294,497	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	United States
540731	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	New Zealand
555378	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	New Zealand
2,003,284,385	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	Australia
7,833,523	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	United States

7,989,604	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	United States
5,073,169	Compositions and Methods for Enzymatic Detachment of Bacterial and Fungal Biofilms	Japan
8,580,551	Dispersin B Polypeptides and uses thereof	United States
8,821,862	Soluble β-N-Acetylgucosaminidase Based Antibiofilm Compositions and Uses Thereof	United States
8,617,542	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	United States
2,720,301	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	Canada
EP2283130	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	Europe
EP2283130	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	United Kingdom
EP2283130	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	Germany
EP2283130	Dispersin B, 5-Fluorouracil, Deoxyribonuclease I and ProteinaseK-Based Antibiofilm Compositions and uses thereof	France
8,753,692	Biofilm-Removing Antimicrobial Compositions and uses thereof	United States
2,750,340	Biofilm-Removing Antimicrobial Compositions and uses thereof	Canada
5,752,051	Biofilm-Removing Antimicrobial Compositions and uses thereof	Japan
EP2389071	Biofilm-Removing Antimicrobial Compositions and uses thereof	Europe
EP2389071	Biofilm-Removing Antimicrobial Compositions and uses thereof	United Kingdom
EP2389071	Biofilm-Removing Antimicrobial Compositions and uses thereof	Germany
EP2389071	Biofilm-Removing Antimicrobial Compositions and uses thereof	France
9,622,481	Biofilm-Removing Antimicrobial Compositions and uses thereof	United States
2012332014	Compositions and Methods for Treatment and Prevention of Oral Diseases	Australia
CN104010653	Compositions and Methods for Treatment and Prevention of Oral Diseases	China
6,038,167	Compositions and Methods for Treatment and Prevention of Oral Diseases	Japan
624,850	Compositions and Methods for Treatment and Prevention of Oral Diseases	New Zealand
9,980,497	Compositions and Methods for Treatment and Prevention of Wound Infections	United States
6,401,720	Compositions and Methods for Treatment and Prevention of Wound Infections	Japan
2,014,225,252	Compositions and Methods for Treatment and Prevention of Wound Infections	Australia
1,0357,470	Compositions and Methods for Treatment and Prevention of Wound Infections	United States

The Company has 40 issued patents and 11 pending patents. Successful development of products to prevent and remove microbial biofilms may be dependent upon the ability to obtain approval for patents that are currently in pending status as well as successfully file new patents; however, there is no guarantee that new patents will be obtained, and, if obtained, it may not be possible to successfully defend against any subsequent infringements to these patents. Currently, the Company is unaware that it has infringed upon any existing patents issued to third parties. The Company's success may, in part, depend on operating without such infringement.

Trademark	**Jurisdiction**
DispersinB®	Canada
	United States
	Europe
	United Kingdom
bluestem™	Canada
	United States
bluestem®	Europe
coactiv+™	Canada
	United States
coactiv+®	Europe
goldstem™	Canada
	United States
silkstem™	Canada
	United States

SUMMARY OF KANE BIOTECH PRESS RELEASES SINCE JANUARY 1, 2020

On May 19, 2020, Kane Biotech announced that, effective May 19, 2020, shares of the Corporation have been reapproved for and will recommence trading on the OTCQB Venture Market, operated by OTC Markets Group. Since February 4, 2019, shares of Kane Biotech have been trading under the Pink® Open Market. With the upgrade to the OTCQB Venture Market, the shares will continue to trade under the ticker symbol "KNBIF".

On May 14, 2020, the Company announced that it has further amended the terms of its 34,504,997 common share purchase warrants (the "Warrants") issued on July 17, 2017 (the "Initial Closing") and August 17, 2017 (the "Final Closing") pursuant to a private placement of units, by further extending the expiry thereof from July 17, 2020 to January 17, 2022 for the 33,404,997 Warrants issued pursuant to the Initial Closing (the "Initial Closing Warrants") and from August 17, 2020 to February 17, 2022 for the 1,100,000 Warrants issued pursuant to the Final Closing (the "Final Closing Warrants"). The Corporation previously extended the expiry of the Initial Closing Warrants and the Final Closing Warrants on November 12, 2018 for an additional 18 months term.

On May 12, 2020, Kane Biotech announced positive results from a consumer product test evaluating the efficacy of its shampoo on dermatitis and dandruff. The shampoo consists of coactiv+™, a patented anti-biofilm formulation, and contains ingredients approved as safe for human use.

On May 7, 2020, Kane Biotech provided an update on the actions the Company has taken in response to the global COVID-19 pandemic.

On March 2, 2020, the Company announced that it granted an aggregate of 3,650,000 stock options to certain directors, officers, employees and consultants of the Company in accordance with the Company's stock option plan.

On February 26, 2020, Kane Biotech announced the launch of its silkstem™ anti-itch shampoo at the Global Pet Expo in Orlando, Florida.

On February 24, 2020, the Company announced that it closed the second and final tranche of its offering, previously announced on December 4, 2019, and issued 7,081,862 units of the Company at a price of $0.14 per unit to raise gross proceeds of $991,461. Each whole warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.18 per common share until February 24, 2022. The Company issued a total of 24,999,999 units for aggregate gross proceeds of $3,500,000 pursuant to the offering.

On February 20, 2020, Kane Biotech announced that it had appointed Jean Gauvin, DVM, as its Chief Veterinary Officer.

On January 27, 2020, the Company announced that it has retained Independent Trading Group, Inc. to provide market-making services.

OUTLOOK

The strategic direction of the Company remains centered on developing and commercializing solutions to biofilm-related problems in the Animal and Human Health markets. To advance these programs and establish the Company as a key player, management expects Kane Biotech to continue incurring operating losses for the foreseeable future. Given the nature of its business and the developmental phase that Kane Biotech is currently in, research expenditures are expected to be as high or higher in 2020 than in 2019. General and administrative expenses in 2020 will be tempered by a combination of spending reductions and the Company's use of Canadian Government economic relief measures associated with the COVID-19 pandemic. Revenues in 2020 are also expected to be impacted by the COVID-19 pandemic although to what extent and for how long is undeterminable at this time. The Company is committed to creating revenue growth and operating with strict cost controls while developing their new technologies and devices.

The Company's funding of future operations is primarily dependent upon its ability to: a) negotiate collaboration or licence royalty agreements with upfront and subsequent milestone payments, b) generate product sales, and c) obtain research grant funding and/or secure additional funds. While the Company is striving to achieve funding through all three of the above-mentioned alternatives, there is no assurance that such sources will be available or obtained on favourable terms. If that is the case, the Company will consider financing alternatives, including those used in the past such as private placements and debt financing, to raise the necessary capital it requires to fund ongoing operations.

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities and commitments when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing its financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

The Company may decide to accelerate, terminate or reduce its focus in certain research areas, or commence research in new areas as a result of the Company's research progress and the availability of financial resources. These decisions are made with the goals of tightly managing the Company's cash resources and optimizing the Company's opportunities. Management is not presently aware of any factors that would change its strategy over the next year. See also "Note 2(c) Going concern" to the accompanying financial statements.

SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information provided below is derived from Kane Biotech's unaudited quarterly financial statements for each of the last eight quarters:

	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018
	$	$	$	$	$	$	$	$
License	16,768	16,767	16,768	16,768	16,768	16,769	16,768	16,768
Royalty	47,912	32,645	34,709	28,109	33,993	12,355	9,590	9,218
Sales of goods and service	391,459	514,725	235,361	176,413	570,495	128,034	100,201	86,592
Total Revenue	456,139	564,138	286,838	221,290	621,256	157,158	126,559	112,578
Cost of Sales	276,723	363,905	170,516	138,782	410,408	86,390	95,579	93,489
Gross Profit	179,416	200,233	116,322	82,508	210,848	70,768	30,980	19,089
Operating Expenses	1,624,152	1,421,945	912,058	1,035,983	830,123	783,550	941,442	702,381
Loss for the Qtr	(1,363,836)	(1,156,695)	(821,554)	1,675,462	(657,393)	(622,497)	(1,013,456)	(718,482)
Loss per share	(0.01)	(0.01)	(0.01)	0.02	(0.01)	(0.01)	(0.01)	(0.01)

It is important to note that historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures, and therefore liquidity and capital resources, may vary substantially from period to period depending on the business and research activities being undertaken at any one time and the availability of funding from investors and prospective commercial partners.

The Company's ongoing operating expenses relate primarily to the execution of research programs, the commercialization of its intellectual property and general and administrative expenses. The operations of the Company are not subject to any material seasonality or cyclical factors.

License revenue relates to the recognition of revenue associated with the initial payment of $500,000 USD the Company received upon signing its exclusive license and distribution agreement with Dechra in March 2017. This initial payment has been recorded in the financial statements as deferred license revenue and is being recognized as license revenue on a straight-line basis over the 10-year life of the agreement.

Quarter over quarter royalty revenues continue to trend higher with Q1 2020 royalties significantly higher than previous quarters. The Company expects continued rapid royalty growth as Dechra expanded their product line in late 2019 by introducing rawhide chews in Canada and the United States and expanding its toothpaste line into the United States. Sales of Dehra's existing products continues to grow, and their products should launch in Brazil in mid-2020 as the Company continues to demonstrate the safety and efficacy of the product line.

Sales of goods and services have trended higher in recent quarters as a result of increases in all of the following revenue categories: Product sales to large pet retail chains, international sales, online sales and Dechra contract services revenue, In addition, an expanded line of bluestem™ products is contributing to ongoing revenue growth.

Gross profit as a percentage of sales has improved since 2018. As of November 5, 2018, all product manufacturing is being outsourced resulting in the elimination of internal fixed manufacturing costs as well as the capacity to significantly scale-up product manufacturing volumes to accommodate revenue growth. In addition, larger customer orders and overall higher sales in recent quarters have resulted in improved shipping and warehousing efficiencies contributing to improved margins.

Operating expenses can vary significantly from quarter to quarter due primarily to fluctuations in research expenditures and bluestem™ sales and marketing costs. The three quarters in 2018 and first two quarters in 2019 include significant legal expenses pertaining to a lawsuit which were not incurred in the three most recent quarters. Q3 2018 includes separation costs relating to the departure of the Company's former President and CEO. Q1 2020 and Q4 2019 includes higher contract research and compensation-related costs than earlier quarters as the Company escalated its work on its DispersinB® human wound care hydrogel project.

RESULTS OF OPERATIONS

Revenue

Revenue consists of License and Royalty revenue from its licensing agreement with Dechra, product sales from the Company's bluestem™ and StrixNB™ brands and contract manufacturing and quality control services revenue related to the Company's relationship with Dechra.

The Company's revenue by category for the three months ended March 31, 2020 and 2019 is summarized in the table below:

Three Months ended March 31,	2020	2019	Change	%Change
License	$ 16,768	$ 16,768	$ 0	0.0%
Royalty	47,912	33,993	13,919	40.9%
Sales of goods and services	391,459	570,495	(179,036)	-31.4%
Total Revenue	$ 456,139	$ 621,256	$ (165,116)	-26.6%

License revenue consists of the recognition over 10 years of an upfront payment of $500,000 USD received from Dechra upon signing the License Agreement in March 2017.

Royalty revenue consists of royalties received from Dechra on their sales of Vetradent™ products in the North American veterinary market. In the three months ended March 31, 2020, royalty payments received from Dechra increased by 41% to $47,912 compared to $33,993 in the three months ended March 31, 2019 as Dechra continues to roll out its expanded Vetradent™ product line to its North American veterinarian customer base.

Revenue from product sales in the three months ended March 31, 2020 was $263,850, a decrease of 49% compared to $519,378 in the three months ended March 31, 2019 due mainly to the Company delivering on its largest purchase order for bluestem products in its history from a large North American pet retailer in the comparative period.

Services revenue consists of contract manufacturing and quality control services related to the Company's relationship with Dechra. In the three months ended March 31, 2020, services revenue was $127,609, an increase of 150% compared to $51,117 for the three months ended March 31, 2019. This increase is due mainly to contract manufacturing services revenue from Dechra's new rawhide chews product which was shipped to Dechra in the current period.

General and Administration Expenses

General and administration expenses include those costs not directly related to research and development. These include expenses associated with management and administrative staff compensation, commercialization activities and professional fees such as consulting, legal, audit, and investor relations.

The changes in general and administration expenditures by category for the three months ended March 31, 2020 and 2019 are reflected in the following table:

Three Months ended March 31,	2020	2019	Change	% Change
Compensation related costs	$ 659,452	$ 274,877	$ 384,576	139.9%
Business development costs	322,833	222,053	100,780	45.4%
Legal costs	56,926	62,905	(5,979)	-9.5%
Other administration costs	56,083	35,850	20,233	56.4%
Grant Income	(76,549)	-	(76,549)	100.0%
General and adminstration expenses	$ 1,018,745	$ 595,685	$ 423,061	71.0%

Higher compensation related costs in the three months ended March 31, 2020 compared to the three months ended December 31, 2019 are primarily due to higher salaries resulting from an increase in staff as well as higher consulting and long-term compensation expenses in the current period.

Higher business development costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are primarily due to higher investor relations, trade show and travel expenses in the current period.

Lower legal costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are primarily due to legal costs incurred in the prior period related to the Nestle lawsuit partially offset by legal costs related to the Company's private placement and higher general legal costs in the current period.

Higher other administration costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are primarily due to higher general office expenditures in the current period related to an increase in general and administration staff.

Government assistance received in the current period is from an NRC IRAP grant related to supply chain, quality control and quality assurance expenditures.

Research and Development Expenses

Research and development expenses are associated with the Company's research and development programs. The Company is in the development and commercialization stage and devotes a significant portion of its financial resources to research and market-ready product development activities.

The changes in research and development expenses by category for the three months ended December 31, 2019 and 2018 are reflected in the following table:

Three Months ended March 31,	2020	2019	Change	% Change
Compensation related costs	$ 192,691	$ 129,949	$ 62,742	48.3%
Contract research and scientific consulting	304,764	9,755	295,010	3024.3%
Patent related costs and other intangibles expensed	47,567	50,454	(2,887)	-5.7%
Other research costs	63,785	52,088	11,697	22.5%
Government assistance	(3,400)	(7,806)	4,406	-56.4%
Research expenses	$ 605,407	$ 234,440	$ 370,967	158.2%

Higher compensation related costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are due primarily to an increase in long-term compensation expense in the current period.

Higher contract research and scientific consulting costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are due primarily to increased spending on contract research related to the Company's DispersinB® human wound care program.

Lower patent related costs and other intangibles expensed in the three months ended March 31, 2020 compared to the three

months ended March 31, 2019 are due mainly to lower patent legal expenses in the current period partially offset by higher patent write-off expense in the current period than in the comparative period.

Higher other research costs in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 are due primarily to higher research consumables and travel costs in the current period.

Lower government assistance recorded in the current quarter is due primarily to lower Scientific Research and Experimental Development (SR&ED) credits recorded in the current period.

Finance Costs (Income)

The change in finance costs (income) for the three months ended March 31, 2020 and 2019 are reflected in the following table:

Three Months ended March 31,	2020	2019	Change
Finance income	$ (654)	$ (23)	$ (631)
Finance expense	6,611	40,698	(34,087)
Fair value adjustment - government loan	(92,624)	-	(92,624)
Foreign exchange loss, net	5,767	(2,557)	8,324
Net finance costs	$ (80,900)	$ 38,118	$ (119,018)

Lower finance expense in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 is due to primarily to the recognition of interest expense on both the short-term loan and related party cash advances that were outstanding in the comparative period.

The fair value adjustment – government loan recovery recorded in the current period is a fair value adjustment related to the interest-free repayable contributions received from Western Economic Diversification Canada during the current period.

Loss and Comprehensive Loss

The losses and comprehensive losses for the three months and year ended March 31, 2020 and 2019 are reflected in the following tables:

Three Months ended March 31,	2020	2019	Change
Loss and comprehensive loss	$ (1,363,836)	$ (657,393)	$ (706,443)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has primarily financed its operations from revenues, public and private sales of equity, the exercise of warrants, loans and convertible notes, government grants and tax credits. As at March 31, 2020, the Company had cash of $426,334 compared with $122,788 at March 31, 2019.

Cash used in operating activities

Cash used in operating activities for the three months ended March 31, 2020 was $1,475,415 compared to $408,835 for the three months ended March 31, 2019. This increase is primarily due to a combination of a higher loss and comprehensive loss in the current period, a net increase in non-cash working capital balances in the current period and a net decrease in non-cash working capital balances in the comparative period.

Cash from financing activities

Cash provided by financing activities for the three months ended March 31, 2020 was $1,130,749 compared to $467,556 received in the three months ended March 31, 2019. This increase is due mainly to proceeds received from the second and final tranche of a private placement offering during the current period partially offset by cash advances received from a related party and their associates during the comparative period.

Cash used in investing activities

Cash used in investing activities during the three months ended March 31, 2020 was $63,168 compared to $11,358 in the three months ended March 31, 2019. This increase is due mainly to capitalized patent-related expenditures in the current period.

The Company continues to seek additional licensing and distribution partners for its various products and technologies currently in development. This in combination with ongoing royalties and potential milestone payments associated with its existing licensing agreement with Dechra will provide increasing liquidity in the future. The Company also intends to seek maximization of its use of government grant programs in order to offset some of its research costs.

However, it is possible that these sources of cash inflows will not be sufficient to entirely fund the Company's planned research activities and administration costs in 2020. If that is the case, the Company will consider financing alternatives including those used in the past such as private placements and debt financing to raise the necessary capital it requires to fund ongoing operations.

The Company manages its operational spending and determines its future financing requirements through a process of budgeting and ongoing cash flow forecasting.

Shares, options, and warrants

	March 26, 2020	March 31, 2020	December 31, 2018
Common shares issued and outstanding	108,613,535	108,613,535	80,113,536
Options outstanding	1,535,000	1,535,000	6,197,333
Warrants outstanding	47,174,389	47,174,389	38,004,997

A summary of the Company's share capital may be found in Note 13 of the accompanying financial statements.

CONTRACTUAL OBLIGATIONS

The Company periodically enters into long-term contractual agreements for the licensing of technologies as well as the lease of facilities, equipment and certain purchased services. The following table presents commitments arising from agreements currently in force over the next five years:

	Payments due by Period				
	Within 1 year	2-3 years	4-5 years	5-7 years	Total
Lease agreements	$ 41,519	$ 77,494	$ -	$ -	$ 119,013
Accounts payable and accrued liabilities	1,154,282	-	-	-	1,154,282
Due to related party	21,841	-	-	-	21,841
Long-term loan government repayable	-	-	91,545	392,450	483,995
	$ 1,217,643	$ 77,494	$ 91,545	$ 392,450	$ 1,779,132
Licence maintenance fees (USD)	$ 10,000	$ 20,000	$ 20,000	$ 20,000	$ 50,000

GUARANTEES

The Company periodically enters into research and licence agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the accompanying financial statements with respect to these indemnification obligations.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

The Company does not have any off-Statement of Financial Position arrangements.

CONTROLS

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties in many cases are not appropriate or possible. Due to resource constraints and the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this potential weakness at this time. To help mitigate the impact of this potential weakness, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a TSX-Venture Exchange issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICF), and as such has not completed such an evaluation.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the Company to select from possible alternative accounting principles and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the statement of financial position date and reported costs and expenditures during the reporting period. Management believes that the estimates and assumptions upon which the Company relies are reasonable based upon information available at the time these estimates and assumptions are made. Estimates and assumptions may be revised as new information is acquired and are subject to change.

In addition to the going concern assumption described above, management believes that its most critical accounting policies and estimates relate to the following areas, with reference to notes contained in the accompanying financial statements:

Revenue recognition

The Company's accounting policy over revenue recognition may be found in Note 3(a) in the Company's financial statements.

The Company has consistently applied accounting policies in accordance with IFRS 15 *Revenue from Contracts with Customers ("IFRS 15")* to all periods presented in these financial statements. These policies are as follows:

Non-refundable payments received at the time of executing a license agreement are recognized when the Company satisfies a performance obligation by transferring control of a promised good or service to a customer. The Company concluded that license fees that are paid up front represent a material right to use over the duration of the contract term and as such the Company recognises upfront consideration received as a contract liability (i.e. deferred license revenue) in its statement of financial position. License revenue related to these non-refundable payments is recognized on a straight-line basis over the life of the license agreement.

Revenue associated with license agreement milestones is recognized when it is highly probable that the performance obligation is met and the risk of reversal of revenue recognition is remote.

Royalty income earned from a license agreement is recognized when contractually earned.

Revenue from the sales of goods and services, net of discounts, is recognized when control of those goods has been transferred to the customer or the performance obligation on services is met.

Research and development costs

The Company's accounting policy over research and development costs may be found in Note 3(f)(i) in the Company's financial statements. Research expenditures are expensed as incurred. Development expenditures are deferred when they meet the criteria for capitalization in accordance with IFRS and the future benefits could be regarded as being reasonably certain. No development expenditures have been capitalized to date and there are no plans to capitalize development expenditures in the foreseeable future. Related Scientific Research & Experimental Development (SR&ED) investment tax credits are accounted for as a reduction to research and development expenditures in the period that they are earned and only to the extent they are refundable. Non-refundable SR&ED investment tax credits are not recorded in the financial statements as there is not assurance at this time there will be sufficient taxable income in the future to utilize those tax credits.

Patents and trademarks

The Company's accounting policy over patents and trademarks may be found in Notes 3(f)(ii) in the Company's financial statements. Patents and trademarks are reviewed for impairment on an ongoing basis whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions regarding future cash flows and the appropriate discount rate. A change in any of the significant assumptions of estimates used to evaluate the underlying assets could result in a material change to the results of operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in research expense in the statement of loss and comprehensive loss.

Stock-based compensation

The Company's accounting policy over stock-based compensation may be found in Notes 3(i)(ii) and 13(c) in the Company's financial statements. Where the Company issues warrants and stock options (to its employees, directors and officers), a fair value is derived using the Black-Scholes pricing model. The application of this pricing model requires Management to make assumptions regarding several variables, including the expected life of the options and warrants, the price volatility of the Company's stock over a relevant timeframe, the determination of a relevant risk-free interest rate and an assumption regarding the Company's dividend policy in the future.

A summary of all the Company's significant accounting policies and estimates may be found in Note 3 to the financial statements.

RISKS AND UNCERTAINTY

Kane Biotech operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control. The Company is subject to risks both inherent and not inherent to the biotechnology industry, including:

Risks Related to the Company's Financial Condition

- The Company has not derived sufficient revenues to date from the commercial sale of its antibiofilm .technology and products to offset its costs. In light of the length of time and expense associated with bringing new products through commercialization, obtaining regulatory approval and bringing products to market, operating losses are expected to continue.
- The Company has relied upon equity financing to support operations and will continue to need significant amounts of additional capital that may not be available to the Company on favourable terms and may be dilutive.
- The Company has relied upon non-dilutive government funding to support some of its research and development programs and other operations. This funding is contingent upon certain deliverables being fulfilled as mandated by the government agencies.
- The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates.

The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, equity financing and government funding. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The availability of financing will be affected by the results of scientific and clinical research, the ability to obtain regulatory approvals, market acceptance of the Company's products, the state of the capital markets generally (with particular reference to pharmaceutical, biotechnology and medical companies), the status of strategic alliance agreements, available government funding and other relevant commercial considerations.

Risks Related to the Company's Financial Management

The Company is subject to ongoing foreign exchange, interest rate, credit and liquidity risks. The management of these risks is described in Note 21 of the Company's audited financial statements for the year ended December 31, 2019.

Risks Related to the Company's Business and Operations

- The Company is in various stages of development of its technologies and products and is dependent on the successful commercialization of its technologies and products to prevent and remove microbial biofilms. Delays may cause the Company to incur additional costs which could adversely affect the Company's liquidity and financial results.
- The Company's business is subject to significant government regulation and failure to achieve regulatory approval of its products would negatively affect the business.
- The Company can rely on contract manufacturers as part of its product development strategy, and it would be negatively affected if it is not able to maintain these relationships and/or the contract manufacturers failed to maintain appropriate quality levels.
- Even if product candidates receive all of the required regulatory approvals, there is no guarantee of market acceptance or commercialization of the resulting product candidates, which will be determined by the Company's sales, marketing and distribution capabilities and the positioning and competitiveness of its products compared with any alternatives.
- The Company's industry is characterized by rapid change and a failure by the Company to react to these changes could have a material adverse effect on its business.
- If the Company fails to hire or retain needed personnel, the implementation of its business plan could slow and future growth could suffer.

Risks Relating to the Intellectual Property

- Failure to protect intellectual property, or infringement on the intellectual property rights of others, may impede the

Company's ability to operate freely.

- The Company is dependent on strategic partners, including contract research organizations, as part of its product development strategy, and it would be negatively affected if it is not able to initiate or maintain these relationships.

Kane Biotech views patents and other means of intellectual property protection as essential to the Company's core business by protecting the Company's proprietary technology from infringement by competitors. To that end, patents will continue to be filed by the Company to ensure the highest level of protection possible is obtained for its products and technologies. The Company requires all employees, consultants, and parties to collaborative research agreements to execute confidentiality agreements upon the commencement of employment, consulting relationships or a collaboration with the Company. These agreements require that all information developed or made known during the course of the engagement with the Company is to be kept confidential. The Company also maintains agreements with scientific staff and all parties contracted in a scientific capacity, providing that all inventions resulting from work performed for Kane Biotech, using its property, or relating to its business and conceived or completed during the period covered by the agreement are the exclusive property of the Company.

Risks Relating to the Company's Common Shares

- The Company has not paid and does not intend to pay any cash dividends on its common shares and therefore, its shareholders may not be able to receive a return on their shares unless they sell them.
- The market price and trading volume of the Company's common shares may be volatile. In addition, variations in future earnings estimates by securities analysts and the market prices of the securities of the Company's competitors may also lead to fluctuations in the trading price of the common shares.
- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

To date, no dividends have been declared or paid on the common shares, and it is not expected that dividends will be declared or paid in the immediate or foreseeable future. The policy of the Board of Directors of the Company is to reinvest all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of Kane Biotech will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.