

December 21, 2016



Kane Biotech Announces Issuance of Common Shares in Payment of Outstanding Interest

WINNIPEG, MANITOBA -- (Marketwired) -- 12/21/16 -- Kane Biotech Inc. (TSX VENTURE:KNE) (the "Corporation") announced that on December 21, 2016, it issued 251,385 common shares of the Corporation ("Common Shares") in payment of \$12,569 in interest owing on the Corporation's \$500,000 2 year 10% convertible redeemable unsecured note (the "Note") as at December 18, 2016. Pursuant to the terms of the Note, the Corporation has the option to issue Common Shares in lieu of cash in payment of interest on the Note at a deemed price per share equal to the market price of the Common Shares on the applicable interest payment date, subject to a minimum price of \$.05 per share and the approval of the TSX Venture Exchange (the "Exchange"). The approval of the Exchange for the issuance of the Common Shares was obtained by the Corporation on December 21, 2016. The Common Shares issued by the Corporation are restricted from transfer for a period of four months from the date of issuance in accordance with applicable securities laws and TSX Venture Exchange policies.

The holder of the Note is Philip Renaud, a director and the Chairman of the Corporation. As Mr. Renaud is a director and Chairman of the Corporation, the issuance of the Common Shares to Mr. Renaud in payment of interest owing to him 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 Corporation 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 Corporation.

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. 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, antimicrobials, biocides, disinfectants, high temperatures and host immune responses. This resiliency contributes to numerous human and animal health related problems such as wound care infections, recurrent urinary tract infections, tooth decay, medical device associated and hospital-acquired infections, and foodborne bacterial infections. According to the United States National Institutes of Health biofilms are estimated to be responsible for 80% of all human bacterial infections and cost individuals, industry, governments and hospitals billions of dollars each year. As such, there is significant interest in safe and

effective products that can combat the biofilm problem.

Kane Biotech uses patent protected technologies based on molecular mechanisms of biofilm formation and methods for finding compounds that inhibit or disrupt biofilms. The Corporation has evidence that these technologies have the potential to significantly improve the ability to prevent and/or destroy biofilms in several medical and industrial applications.

Kane Biotech has a portfolio of biotechnologies, intellectual property (patents, patents pending and trademarks) and products developed by the Corporation's own biofilm research expertise and acquired from leading research institutions. Strix NB®, StrixNB™, DispersinB®, Aledex®, bluestem™, AloSera™, coactiv+™ and Kane® are trademarks of Kane Biotech Inc. The Corporation is listed on the TSX Venture Exchange under the symbol "KNE".

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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