

March 6, 2017



Kane Biotech Announces Exclusive License and Distribution Agreement with Dechra

WINNIPEG, MANITOBA -- (Marketwired) -- 03/06/17 -- Kane Biotech Inc. (TSX VENTURE:KNE) (the "Corporation" or "Kane Biotech") is pleased to announce that it has entered into an exclusive license and distribution agreement (the "License Agreement") with Dechra Veterinary Products LLC ("Dechra"), a wholly-owned subsidiary of Dechra Pharmaceuticals PLC (LSE:DPH). Dechra is an international specialty veterinary pharmaceuticals products company with expertise in the development, manufacture and sales and marketing of high quality products for veterinarians worldwide. Pursuant to the License Agreement, Kane Biotech has agreed to exclusively license its StrixNB™ and DispersinB® oral care and dermatology products to Dechra for commercialization in the North American veterinary market.

Under the terms of this 10-year Agreement, Kane Biotech will receive an upfront payment upon signing along with a series of potential payments linked to various commercial milestones to a combined maximum of USD \$2.0 million. In addition, Kane Biotech will receive an ongoing royalty on net sales of its Products by Dechra in North America, subject to certain minimum annual royalty payments by Dechra to Kane Biotech. Terms of the Agreement are confidential between the parties and further financial details are not disclosed.

Mark Ahrens-Townsend, President and CEO of Kane Biotech, commented, "We are pleased to have concluded this commercial partnership with Dechra for North America. Dechra represents an ideal commercial partner in the specialty veterinarian market for Kane Biotech's StrixNB and DispersinB oral care and dermatology products given its existing commercial footprint, sales force, and synergies with its current product portfolio. Dechra is a highly successful company with proven expertise in developing market-leading brands in the specialty veterinarian market and we are excited about the growth prospects for our StrixNB and DispersinB brands under this arrangement. This license agreement represents an important validation of Kane Biotech's research and development and intellectual property programs, and the market value of our products and technologies by a leading veterinary pharmaceutical company."

Mike Eldred, President of Dechra Veterinary Products LLC commented, "The entire Dechra team is pleased to have concluded this wide-ranging commercial partnership with Kane Biotech. The StrixNB oral care and DispersinB dermatology products and technologies provide Dechra with a significant opportunity to build market share in these strategic market segments. The technology developed by Kane Biotech is innovative and highly differentiated, which will provide Dechra the opportunity to provide veterinarians with

efficacious products to resolve many of the day-to-day challenges in their clinics. We look forward to a long and successful partnership with Kane Biotech."

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, trade secrets and trademarks) and products developed by the Corporation's own biofilm research expertise and acquired from leading research institutions. 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.

Caution Regarding Forward-Looking Information

Certain statements contained in this press release may 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: the Corporation'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 the Corporation's filings with Canadian securities regulatory authorities, as well as the Corporation's ability to anticipate and manage the risks associated with the foregoing. The Corporation cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Corporation's forward-looking statements to make decisions with respect to the Corporation's, 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, the Corporation cannot provide assurance that actual results will be consistent with these forward-looking statements. The Corporation undertakes no obligation to update or revise any forward-looking statement.

Mark Ahrens-Townsend
President & CEO
Kane Biotech Inc.
204-477-7592
204-474-7552 (FAX)
ir@kanebiotech.com
www.kanebiotech.com

Source: Kane Biotech Inc.