

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company:**

Kane Biotech Inc. (the "Company")
162 – 196 Innovation Drive
Winnipeg, Manitoba R3T 2N2

2. **Date of Material Change:**

August 17, 2017

3. **News Release:**

The Company issued a press release regarding the material change on August 17, 2017, a copy of which is attached hereto.

4. **Summary of Material Change:**

On August 17, 2017, the Company completed the issuance of 1,100,000 units of the Company ("Units") at a price of \$0.12 per Unit for aggregate gross proceeds of \$132,000 to certain subscribers resident in various provinces of Canada. Each Unit was comprised of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.18 for a period of 18 months from the date of issuance, subject to the Company calling the Warrants in certain circumstances.

5. **Full Description Of Material Change:**

See attached Schedule "A".

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

7. **Omitted Information:**

Not Applicable.

8. **Executive Officer:**

Mark Ahrens-Townsend, President and CEO
Tel: (204) 487-2328

DATED at Winnipeg, Manitoba this 18th day of August, 2017.

KANE BIOTECH INC.

Per: *“Mark Ahrens-Townsend”*
Mark Ahrens-Townsend, Chief
Executive Officer

SCHEDULE "A"

Kane Biotech Announces Second Closing of Private Placement Offering and Resignation of Director

WINNIPEG, Manitoba – August 18, 2017 – Kane Biotech Inc. (TSX-V:KNE) (the "Company" or "Kane Biotech") today announced that it has completed the second closing of its previously announced private placement offering (the "Offering") of units ("Units") at a price of \$0.12 per Unit effective August 17, 2017. At the second closing, the Company issued 1,100,000 Units for aggregate gross proceeds of \$132,000. Accordingly, the total number of Units sold by the Company at the first and second closings of the Offering was 34,504,997 for aggregate gross proceeds of \$4,140,600.

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 \$0.18 up to the Expiry Date.

The Company reserves the right to call the Warrants, at their exercise price of \$0.18 per Warrant, in the event that the Shares have traded for ten (10) consecutive trading days at a closing price at or exceeding \$0.25 per Share. If the Company wishes to call the Warrants, the Company must provide written notice to the holders of the Warrants that it is calling the Warrants. Holders of Warrants will have thirty (30) days from the date of such notice to exercise the Warrants and, in the event that any Warrants are not exercised, such Warrants shall be cancelled.

The only insider of the Company that participated in the second closing of the Offering was Mark Ahrens-Townsend, the President and Chief Executive Officer and a director of the Company. Mr. Ahrens-Townsend purchased 250,000 Units for an aggregate price of \$30,000 in addition to the 250,000 Units that he purchased at the first closing of the Offering. This brings the total number of Shares owned by Mr. Ahrens-Townsend to over 1,000,000, which is a strong indication of Mr. Ahrens-Townsend's confidence in the future prospects of the Company. As Mr. Ahrens-Townsend is an insider 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 shareholder approval of the Offering due to the fact that it may rely on an exemption to those requirements contained in MI 61-101, namely that the Company, without the Offering, would be in serious financial difficulty and the Offering, including the sales of Units to Mr. Ahrens-Townsend, is designed to improve the financial position of the Company. The Offering and the sale of the Units to Mr. Ahrens-Townsend was approved by all of the directors of the Company, including the independent directors of the Company.

The net proceeds of the Offering will be used for business development, technology and product commercialization, patent and trademark filings, regulatory expenses, clinical trials and general working capital.

The Shares and Warrants will be restricted from transfer for a period of four months and a day from the date of issuance in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

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

In addition, the Company announces that Sarah Prichard has resigned as a director of the Company. The board of directors of the Company wishes to thank Sarah for all of her hard work on behalf of the Company and wish her all the best in the future.

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.

The Corporation has a portfolio of biotechnologies, intellectual property (70 patents and 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".

For more information, please visit www.kanebiotech.com or contact:

Mark Ahrens-Townsend

President & CEO

Kane Biotech Inc.

204-477-7592

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Information

This press release contains certain statements regarding the use of proceeds of the Offering which constitute forward-looking information. The forward-looking information is subject to certain risks and uncertainties which could result in actual events or results differing materially from the forward-looking statements, including: (i) a change in the business or operations of the Company that may result in a change in the proposed use of the proceeds of the Offering; and (ii) certain other risks as disclosed in the Company's continuous disclosure documents which are available on SEDAR. The Company undertakes no obligation to update or revise any forward-looking statement contained herein.