

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:**

September 11, 2023

3. **News Release:**

The Company issued a press release regarding the material change on September 12, 2023, a copy of which is attached hereto as Schedule "A".

4. **Summary of Material Change:**

The Company announced the closing of the previously announced non-brokered private placement offering of units of the Company ("Units"). The Company issued 6,250,000 Units at a price of \$0.08 per Unit for aggregate gross proceeds of \$500,000. Each Unit is comprised of one common share of the Company (a "Share") and one-half of one Share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one additional Share of the Company for a period of 18 months at an exercise price of \$0.10 per Share.

The Company also announced that the Company and Pivot Financial I Limited Partnership ("Pivot") have entered into a definitive agreement to amend the terms of the Company's amended and restated credit agreement between Pivot and the Company dated August 31, 2021, as amended (the "Credit Facility"), by, among other things, increasing the size of the Credit Facility from \$5 million to \$6 million and extending the maturity date of the Credit Facility from August 31, 2023 to November 30, 2023.

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

The material change is fully described in the press release attached hereto as 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:**

Marc Edwards
President, CEO and Director
Tel: (204) 500-0751

9. **Date of Report**

September 12, 2023.

SCHEDULE "A"



Kane Biotech Announces Closing of Fully Subscribed Private Placement Offering and Amendments to its Credit Facility

Not for distribution to U.S. news wire services or dissemination in the United States

WINNIPEG, Manitoba, September 12, 2023 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE OTCQB:KNBIF) (the "**Company**", "**Kane**" or "**Kane Biotech**") announces that on September 11, 2023 it has fully subscribed and closed its previously announced non-brokered private placement offering (the "**Offering**") of units of the Company ("**Units**"). Kane issued 6,250,000 Units at a price of \$0.08 per Unit for aggregate gross proceeds of \$500,000. Each Unit is comprised of one common share of the Company (a "**Share**") and one-half of one Share purchase warrant (each whole warrant, a "**Warrant**"). Each full Warrant entitles the holder thereof to purchase one additional Share of the Company for a period of 18 months at an exercise price of \$0.10 per Share.

After a period of four months from the closing date of the Offering, in the event that the Shares traded on the TSX Venture Exchange (the "**TSXV**") have a closing price at or exceeding \$0.20 per Share for five (5) consecutive trading days, the Company reserves the right to call the Warrants, at their exercise price of \$0.10 per Warrant (the "**Call Right**"). 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. Investors 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. Holders of Warrants shall be restricted from exercising any number of Warrants that will cause the holder to own such number of Shares that will equal or exceed 20% of the then issued and outstanding Shares.

President and Chief Executive Officer, Marc Edwards, and Chief Financial Officer, Raymond Dupuis participated in the Offering for a total of \$20,000 (250,000 Units) in the Offering (the "**Insider Subscription**"). The Insider Subscription is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company is exempt from the formal valuation and minority approval requirements for related party transactions pursuant to Subsection 5.5(a) and Subsection 5.7(a) of MI 61-101, respectively.

The net proceeds of the Offering will be used for working capital and general corporate

purposes.

All securities issued in connection with the Offering are subject to a hold period of four-months and one day in Canada.

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

The Company also announces that on September 11, 2023, the Company and Pivot Financial I Limited Partnership ("**Pivot**") entered into a definitive agreement to amend the terms of the Company's amended and restated credit agreement between Pivot and the Company dated August 31, 2021, as amended (the "**Credit Facility**"), by, among other things, increasing the size of the Credit Facility from \$5 million to \$6 million and extending the maturity date of the Credit Facility from August 31, 2023 to November 30, 2023 (the "**Amended Credit Facility**"). The Amended Credit Facility has an interest rate of 15% per annum.

Under the terms of the Amended Credit Facility, Pivot and the third party guarantor of \$1,000,000 of the Amended Credit Facility (the "**Guarantor**"), each received 2,500,000 compensation warrants ("**Compensation Warrants**"). Subject to the Call Right, each Compensation Warrant is exercisable into one Share for a period of 12 months at an exercise price of \$0.10 per Share. In accordance with the policies of the TSXV, the 2,500,000 compensation warrants previously issued to the Guarantor on April 20, 2023 will expire on the closing date of the Amended Credit Facility and will be of no further force or effect.

The closing of the Amended Credit Facility remains subject to the final approval of the TSX Venture Exchange.

"The conclusion of these interim financing measures during a period of very challenging external capital market conditions comes at an opportune time as we proceed with our previously announced strategic review of our STEM Animal Health subsidiary and continue to make significant progress in our wound care product development and commercialization efforts. I'd like to once again thank Pivot for their ongoing support," said Ray Dupuis, Chief Financial Officer.

This press release does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons unless registered or exempt therefrom.

About Kane Biotech

Kane Biotech is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. The Company has a portfolio of biotechnologies, intellectual property (80 patents and patents pending, trade secrets and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions. StrixNB™, DispersinB®, Aledex™, bluestem™, bluestem®, silkstem™, goldstem™, coactiv+™, coactiv+®, DermaKB™ and DermaKB Biofilm™ are trademarks of Kane Biotech Inc. The Company is listed on the TSXV under the symbol "KNE" and on the OTCQB Venture Market under the symbol "KNBIF."

For more information:

Marc Edwards

Chief Executive Officer
Kane Biotech Inc

medwards@kanebiotech.com

Ray Dupuis

Chief Financial Officer
Kane Biotech Inc

rdupuis@kanebiotech.com

Nicole Sendey

Investor Relations/PR
Kane Biotech Inc

nsendey@kanebiotech.com

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 Kane Biotech Inc. that constitute forward-looking information under applicable securities law. 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. These risks and uncertainties include, but are not limited to, risks relating to the Company's: (a) financial condition, including lack of significant revenues to date and reliance on equity and other financing; (b) business, including its early stage of development, government regulation, market acceptance for its products, rapid technological change and dependence on key personnel; (c) intellectual property including the ability of the Company to protect its intellectual property and dependence on its strategic partners; and (d) capital structure, including its lack of dividends on its common shares, volatility of the market price of its common shares and public company costs. Further information about these and other risks and uncertainties can be found in the disclosure documents filed by the Company with applicable securities regulatory authorities, available at www.sedar.com. The Company cautions that the foregoing list of factors that may affect future results is