

## **BIG WIND CAPITAL SIGNS LOI WITH MILITARY-GRADE, CYBER SECURITY COMPANY, HILL TOP SECURITY INC.**

**July 4, 2017 – Big Wind Capital Inc. (CSE: BWC)** (the “**Company**”) announces that it has entered into a letter of intent (the “**LOI**”) with Hill Top Security, Inc. (“**HTSI**”), which has a unique, military-grade, cyber security platform for small-to-medium-sized businesses (SMB), comprising blockchain event validation, cyber tagging, incident response and rapid restoration. Pursuant to the LOI, the Company intends to acquire various interests in HTSI and its assets (the “**Transaction**”), including 100% of assets outside of those currently used by the US government.

### **Hill Top Security Highlights: Military-Grade, Holistic and Unique**

- Military-grade cybersecurity platform, called Vauban, originally developed for government and big business, now being made available to the SMB sector.
- One of the world’s first and only solutions compliant with FIPS-FIAR - a rigorous financial transaction and compliance standard required by the Department of Defense
- New product development incorporates blockchain technology to provide enhanced security for industry-specific crypto-currency applications
- The platform has been developed by a team of security experts with substantial military and commercial experience, including the US Army, Marine Corps and Wall Street
- The company currently holds a Top-Secret clearance based on the work it currently carries out for the government.

### **SMB Cyber Security Statistics**

- Small-to-medium sized businesses have become the top target for cyber criminals
- Estimated \$75 Billion per year is lost to ransomware attackers alone<sup>1</sup>
- Average hourly cost to small businesses being \$8,581/hr in lost productivity.<sup>2</sup>
- SMB’s (2,500 employees or less) number over 27 million
- Total addressable market expected to exceed \$2.2 Billion by 2020

Dev Randhawa, CEO of Big Wind, commented, *“The cyber security market for small to medium sized business is both large and growing rapidly. The market is also underserved in terms of the security required to deal with today’s cyber threats. Hill Top’s military-grade solution, called Vauban, uses customized blockchain, cyber tagging and rapid restoration to upscale company defenses in line with current threats. Just as exciting is the new product development potential, combining the platform with crypto currency and blockchain technology for industry-specific applications.”*

Corby Marshall, CEO of Hill Top Security, said, *“Our advanced product set addresses aspects of the cyber landscape that many of our competitors have missed and we look forward to working with Big Wind to fully unlock the value of our military-grade, cybersecurity solutions through our current product offering and through future development.”*

<sup>1</sup>Research conducted by disaster recovery firm, Datto.

<sup>2</sup>Research conducted by consultancy firm, Aberdeen Group

<sup>3</sup>[comptroller.defense.gov](http://comptroller.defense.gov) Financial Improvement Plans-Financial Improvement and Audit Readiness

Under the LOI, the parties have agreed to negotiate in good faith and enter into a definitive agreement (the “**Definitive Agreement**”) which upon execution will supersede the LOI.

Pursuant to the terms of the LOI, in consideration of the Transaction, the Company will initially acquire a 25% interest in HTSI for an aggregate cash payment of USD\$660,000 (a 15% interest to be acquired from an existing shareholder of HTSI for a cash payment of USD\$160,000 and an additional 10% interest in HTSI to be acquired by investing USD\$500,000 into HTSI).

The Company will have the exclusive right and option to acquire 100% of HTSI’s assets (the “**Assets**”), other than the government purposed assets which will remain in HTSI, for an additional cash investment in HTSI of USD\$1,500,000 as well as issuing such number of common shares of the Company equal to 45% (post-issuance) of the issued and outstanding common shares of the Company. The Company will acquire up to a 49% interest (an additional 24%) in HTSI, thus allowing HTSI to retain its US-owned status. The acquisition of the Assets will be determined based on securities, tax and corporate law considerations, including the possibility of an asset acquisition or a license agreement.

The Company has also agreed to advance to HTSI the sum of US\$100,000 by July 6, 2017, which must be used for further development of the software platform and for general working capital purposes. The Advance will reduce dollar for dollar the amount to be paid to acquire the initial 24% interest in HTSI.

The Transaction is subject to the Company completing an equity financing (the “**Concurrent Financing**”) for gross proceeds of not less than CAD\$1,000,000 at a price of \$0.15 per common share. The parties acknowledge that the funds from the Concurrent Financing will be held in escrow and not released until the CSE approves the Transaction on such terms to be more particularly described in the Definitive Agreement. The Company may pay finder fees in connection with the Concurrent Financing. The net proceeds from the Concurrent Financing will be used to fund the USD\$660,000 cash payment, with the balance to be used for development of the business and general working capital.

The Definitive Agreement will incorporate the principal terms of the Transaction described herein, and in addition, such other terms and provisions of a more detailed structure and nature as the parties may agree upon after receiving further tax, legal and financial advice from their respective advisers. However, there is no assurance that the Definitive Agreement will be successfully negotiated or entered into.

Completion of the Transaction is subject to a number of other conditions, including but not limited to acceptance by the Canadian Securities Exchange (the “**CSE**”) and completion of mutual due diligence. There can be no assurance that the Transaction will be completed as proposed or at all.

### **Additional Information**

Further details about the proposed Transaction will be provided in a comprehensive news release if and when the parties enter into a Definitive Agreement. If completed, the Transaction will constitute a “Fundamental Change” pursuant to CSE policies.

**For further information, please contact:**

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***Forward-Looking Information***

*Certain statements included in this news release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management or the negative thereof or similar variations. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company.*

*All information in this news release concerning HTSI has been provided for inclusion herein by HTSI. Although the Company has no knowledge that would indicate that any information contained herein concerning HTSI is untrue or incomplete, the Company assumes no responsibility for the accuracy or completeness of any such information*

*Investors are cautioned that, except as disclosed in the listing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.*

*Statements about the execution of a Definitive Agreement, closing of the Transaction, expected terms of the Transaction, the number of securities of the Company that may be issued in connection with the Transaction, the ownership of HTSI, the terms of and the completion of the Concurrent Financing, and the parties' ability to satisfy any and all other closing conditions, and receive necessary regulatory and CSE approvals in connection therewith, are all forward-looking information. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Factors that could cause the actual results to differ materially from those in forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, and general economic, market or business conditions. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward-looking statements. The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein in the United States. The securities described herein have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities law and may not be offered or sold in the "United States", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available.*

*(Not for dissemination in the United States of America)*