

## **BIG WIND CAPITAL INC.**

### **Big Wind Capital Inc. Enters into Definitive Agreement with Hill Top Security, Inc.**

**Kelowna, B.C., Canada – December 21, 2017 – Big Wind Capital Inc.** (CSE: BWC) ("**Big Wind**" or the "**Company**"), is pleased to announce that it has entered into an acquisition agreement dated December 19, 2017 (the "**Definitive Agreement**") with Hill Top Security, Inc. ("**HTSI**"), pursuant to a series of transactions whereby the Company will license 100% of the assets of HTSI through an exclusive, perpetual, worldwide, royalty-free license (the "**Assets**") and acquire 49% of the shares of common stock of HTSI (the "**HTSI Shares**"), for consideration as more particularly described below (the "**Transaction**").

The Transaction is subject to a number of terms and conditions as set forth in the Definitive Agreement, including (among other things) the approval of the Canadian Securities Exchange (the "**Exchange**"). If completed, the Initial Acquisition will constitute a "Fundamental Change" of Big Wind, as such term is defined in Exchange policies. Big Wind's common shares (the "**Big Wind Shares**") will remain halted until the Exchange has reviewed and approved the Transaction.

In connection with the Initial Acquisition, the Company will change its name to "Hilltop Cybersecurity Inc.", or such other name as the parties may reasonably agree upon. Upon the completion of the Initial Acquisition the Company will continue the business of HTSI and will trade under the symbol of "CYBX".

#### **HTSI and its Business**

HTSI is an enterprise software and services company headquartered in the Commonwealth of Virginia that specializes in creating solutions to provide key organizational stakeholders with accurate and timely business intelligence to increase security posture and reduce risk. HTSI has a unique, military grade, cybersecurity platform for small-to-medium-sized businesses, comprising blockchain event validation, cyber tagging, incident response and rapid restoration.

#### **The Transaction**

##### *Initial Acquisition*

Pursuant to the Definitive Agreement, Big Wind 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 "**Initial Acquisition**").

Immediately after the completion of the Initial Acquisition, Big Wind, HTSI and the shareholders of HTSI will execute a shareholders' agreement in substantially the form attached to the Definitive Agreement in respect of HTSI.

##### *Second Acquisition*

Following the Initial Acquisition, but in no event later than ninety (90) days following the closing of the Initial Acquisition, Big Wind and HTSI will make reasonable commercial efforts to concurrently complete the following series of transactions (the "**Second Acquisition**"):

- (i) HTSI will sell and issue 1,875 HTSI Shares to Big Wind, such amount being equal to 24% of the issued and outstanding HTSI Shares (post-issuance, such that immediately after the aforementioned issuance and including the HTSI Shares acquired pursuant to the Initial Acquisition, Big Wind will hold an aggregate 49% of the issued and outstanding HTSI Shares), and grant to Big Wind a

perpetual, worldwide, royalty free license in the Assets (as more particularly described in the Definitive Agreement), pursuant to a license agreement by and between HTSI and Big Wind in substantially the form attached to the Definitive Agreement to be executed upon the completion of the Second Acquisition; and

- (ii) in consideration for the actions of HTSI set forth above, Big Wind will (1) deliver a payment to HTSI of US\$1,500,000.00; (2) issue to HTSI such number of convertible common shares of Big Wind equal to, upon conversion thereof to Big Wind Shares (on a one-to-one basis), an aggregate of 45% of the issued and outstanding Big Wind Shares (post-issuance), to be distributed pro rata to the HTSI Shareholders (other than Big Wind); (3) issue 1,200,000 additional convertible common shares of Big Wind to be distributed pro rata to certain key shareholders and insiders of HTSI; and (4) execute and deliver consulting agreements in the form attached to the Definitive Agreement to certain of the shareholders of HTSI as indicated in the Definitive Agreement.

The HTSI Shareholders will have the right to exchange the convertible common shares of Big Wind received pursuant to the Second Acquisition at any time and from time to time for an equal number of fully paid and non-assessable Big Wind Shares.

In the event that Big Wind and HTSI do not consummate the Second Acquisition for any reason, then the parties agree that HTSI will have the right to repurchase from Big Wind any or all of the HTSI Shares purchased pursuant to the Second Acquisition, in its sole discretion, within ninety (90) days from the date on which either of HTSI or Big Wind receives written notice from the other of its determination not to consummate the Second Acquisition, for an amount equal to US\$500,000, or a lesser proportionate amount corresponding to the portion of such HTSI Shares actually repurchased. If the Concurrent Financing (as defined herein) is completed then Big Wind will have sufficient capital to complete the Second Acquisition.

#### *Concurrent Financing*

Pursuant to the Definitive Agreement, Big Wind will use its commercially reasonable efforts to complete a non-brokered private placement (the "**Concurrent Financing**") prior to the completion of the Second Acquisition to raise: gross proceeds of a minimum of \$1,000,000 through the issuance of a minimum of 6,666,666 Big Wind Shares and up to a maximum of gross proceeds of \$2,000,000 through the issuance of a maximum of 13,333,333 Big Wind Shares at a price of \$0.15 per Big Wind Share with such Big Wind Shares having a voluntary hold period of eight (8) months and a day from the date of distribution; additional gross proceeds of a minimum of \$1,050,000 through the issuance of a minimum of 3,000,000 units of Big Wind at a price of \$0.35 per unit ("**Big Wind \$0.35 Units**"), each such Big Wind \$0.35 Unit consisting of one Big Wind Share and one Big Wind Share purchase warrant (each, a "**Big Wind \$0.35 Unit Warrant**"), with each Big Wind \$0.35 Unit Warrant entitling the holder thereof to acquire a Big Wind Share at an exercise price of \$0.40 per Big Wind Share for a period of 24 months from the issuance thereof, and up to a maximum of gross proceeds of \$1,750,000 through the issuance of up to 5,000,000 Big Wind \$0.35 Units; and additional gross proceeds of a minimum of \$1,000,000 through the issuance of a minimum of 1,666,666 units of Big Wind at a price of \$0.60 per unit ("**Big Wind \$0.60 Units**"), each such Big Wind \$0.60 Unit consisting of one Big Wind Share and one Big Wind Share purchase warrant (each, a "**Big Wind \$0.60 Unit Warrant**"), with each Big Wind \$0.60 Unit Warrant entitling the holder thereof to acquire a Big Wind Share at an exercise price of \$0.70 per Big Wind Share for a period of 18 months from the issuance thereof, and up to a maximum of gross proceeds of \$5,000,000 through the issuance of up to 8,333,333 Big Wind \$0.60 Units, or such other financing as is mutually agreed in writing by HTSI and Big Wind, provided that such Concurrent Financing is acceptable to the Exchange.

Prior to the execution of the Definitive Agreement, Big Wind advanced to HTSI an aggregate sum of US\$600,000 from gross proceeds of the Concurrent Financing completed prior to the date of the Definitive Agreement (the "**Advance**"), which HTSI has and will use for further development of its software platform and for general working capital purposes. The Advance reduces dollar for dollar the total amount of required to be paid to HTSI by Big Wind to complete the Initial Acquisition.

## *Conditions*

The Transaction is conditional upon, among other things:

- (i) the representations and warranties of each of Big Wind and HTSI, as set out in the Definitive Agreement, being true and correct in all material respects at the closing of the Transaction;
- (ii) the absence of any material adverse change in the business of each of the parties;
- (iii) the parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third party approvals and authorizations;
- (iv) HTSI and Big Wind obtaining the requisite shareholder approvals for the Transaction;
- (v) the parties obtaining requisite board approvals for the Transaction; and
- (vi) Big Wind completing additional tranche(s) of the Concurrent Financing.

## **The Board**

The board of directors of the Company will be reconstituted in conjunction with the closing of the Initial Acquisition. The board of directors of the Company immediately following closing of the Initial Acquisition will be comprised of three (3) members, being Corby Marshall, William Marsh and Ross McElroy. The Company's senior management will consist of Corby Marshall (CEO) and Ryan Cheung (CFO).

In connection with the Second Acquisition, it is contemplated that the board of directors of the Company will be reconstituted in conjunction with the closing thereof, such that the board of directors will be comprised of five (5) members, namely, Corby Marshall, William Marsh, Neiland Wright, Thomas Gilmore and Ross McElroy. Following the completion of the Second Acquisition the Company's senior management will consist of Corby Marshall (CEO), Ryan Cheung (CFO), Neiland Wright (CTO), and Thomas Gilmore (CISO). If required, the Company will seek shareholder approval of an increase in the size of the Company's board to five (5) members and to elect the fifth member to the board, being the third nominee-director of HTSI at a special meeting of shareholders to be held after the completion of the Initial Acquisition and before the completion of the Second Acquisition.

Big Wind will issue additional news releases related to the Transaction and related financings and other material information as it becomes available.

For further information please contact:

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*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.*

### **Forward-Looking Information**

*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance, completion of additional tranches of the Concurrent Financing and shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in a 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.*

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

*The Canadian Securities Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.*

*Certain statements in this release are forward-looking statements, which include completion of the proposed Transaction and related financing, regulatory approvals and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, and other factors, many of which are beyond the control of Big Wind. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including that: general business and economic conditions will not change in a material adverse manner; and financing will be available if and when needed on reasonable terms. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Factors that could cause actual results to differ materially from those in forward looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the failure of counterparties to perform their contractual obligations, the loss of key directors, employees, advisors or consultants and fees charged by service providers. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*

*The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, Big Wind disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Big Wind undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.*