

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

*State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.*

N/A

#### **Item 1 – Security and Reporting Issuer**

*1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

This report relates to units of Gallagher Security Corp. (the “**Issuer**”). The Issuer’s head office is located at 700 - 1620 Dickson Avenue, Kelowna, BC V1Y 9Y2.

*1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

Not applicable. The units were issued on August 21, 2019 pursuant to a debt settlement agreement between the Issuer and the Acquiror (defined herein) dated August 21, 2019 (the “**Agreement**”).

#### **Item 2 – Identity of the Acquiror**

*2.1 State the name and address of the acquiror.*

RD Capital Inc. (the “**Acquiror**”) with an address at 700-1620 Dickson Ave. Kelowna, BC V1Y 9Y2, a company controlled by Mr. Devinder Randhawa, a director of the Issuer.

*2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

The Acquiror, on August 21, 2019, acquired 1,834,500 units (each, a “**Units**”) pursuant to the Agreement, whereby \$91,725 of debt was settled in consideration for the issuance of the Units at a deemed price of \$0.05 per Units. Each Unit is comprised of one common share of the Issuer and one common share purchase warrant of the Issuer (“**Warrant**”). Each Warrant is exercisable to purchase one common share of the Issuer at a price of \$0.05 per share for a period of 24 months from the date of issuance.

*2.3 State the names of any joint actors.*

The Acquiror is owned and controlled by Mr. Devinder Randhawa as a result of which Mr. Devinder Randhawa is deemed a joint actor of the Acquiror.

### **Item 3 – Interest in Securities of the Reporting Issuer**

*3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.*

On August 21, 2019, the Acquiror, directly and indirectly, acquired 1,834,500 Units pursuant to the Agreement.

Prior to the acquisition, the Acquiror owned, directly or indirectly, or exercised control or direction over 106,082 common shares of the Issuer. The 106,082 common shares represented approximately 1.4% of the total number of issued and outstanding common shares of the Issuer.

After completion of the acquisition of the Units, the Acquiror now owns, directly or indirectly, or exercises control or direction over, 1,940,582 common shares of the Issuer. The 1,940,582 common shares represent approximately 20.58% of the 9,431,518 issued and outstanding common shares of the Issuer, resulting in an increase by 19.18% to the Acquiror's holdings after the completion of the acquisition of the Units.

In addition, Mr. Devinder Randhawa personally owns and controls 394,505 common shares of the Issuer and 62,982 common share purchase warrants. After completion of the acquisition of the Units, Mr. Devinder Randhawa and the Acquiror own in the aggregate 2,335,087 common shares which represents approximately 24.76% of the 9,431,518 issued and outstanding common shares, and on a partially diluted basis, 4,232,569 common shares which represents approximately 44.88% of the total number of issued and outstanding common shares of the Issuer.

*3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.*

The Acquiror acquired ownership of 1,834,500 Units on August 21, 2019.

*3.3 If the transaction involved a securities lending arrangement, state that fact.*

N/A

*3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

See Item 3.1.

3.5 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

(a) *the acquiror, either alone or together with any joint actors, has ownership and control,*

Mr. Devinder Randhawa personally owns and controls 394,505 common shares of the Issuer and 62,982 common share purchase warrants. After completion of the acquisition of the Units, Mr. Devinder Randhawa and the Acquiror own in the aggregate 2,335,087 common shares which represents approximately 24.76% of the 9,431,518 issued and outstanding common shares, and on a partially diluted basis, 4,232,569 common shares which represents approximately 44.88% of the total number of issued and outstanding common shares of the Issuer.

(b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

N/A

(c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

N/A

3.6 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

N/A

3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

*State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.*

N/A

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

N/A

#### **Item 4 – Consideration Paid**

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

The Acquiror acquired the Units at \$0.05 per Unit for an aggregate purchase price of \$91,725 by way of settlement of debt as a securities for debt transaction pursuant to the Agreement.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See Item 4.1.

- 4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

N/A

#### **Item 5 – Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) *the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) *a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) *a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*

- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) *a material change in the reporting issuer's business or corporate structure;*
- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) *a solicitation of proxies from securityholders;*
- (k) *an action similar to any of those enumerated above.*

The Acquiror's acquisition was made for investment purposes. The Acquiror may in the future wish to increase or decrease his shareholdings in the Issuer as circumstances warrant. Such circumstances may include but are not limited to compliance with applicable securities laws, general market and economic conditions, business prospects of the Issuer and investment and business opportunities available to the Acquiror.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

N/A

#### **Item 7 – Change in Material Fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

N/A

**Item 8 – Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

N/A

**Item 9 – Certification**

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: August 21, 2019

/s/ “Devinder Randhawa”  
Signature on behalf RD Capital Inc.

Devinder Randhawa  
Director of RD Capital Inc.