

GALLAGHER SECURITY CORP.

Early Warning Report Filed Pursuant to National Instrument 62-103

August 21, 2019 – Gallagher Security Corp. (the “**Company**”) (CSE:GLL): This press release is being disseminated as required by National Instrument 62-103 *The Early Warning System and Related Take Over Bids and Insider Reporting Issues* in connection with the filing of an early warning report (the “**Early Warning Report**”) regarding the acquisition of units of the Company by RD Capital Inc. (the “**Acquiror**”), a company controlled by Devinder Randhawa, a director of the Company.

The Acquiror, on August 21, 2019, acquired 1,834,500 units of the Company (the “**Units**”) pursuant to a debt settlement agreement with the Company dated August 21, 2019, pursuant to which \$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 Company and one common share purchase warrant of the Company (“**Warrant**”). Each Warrant is exercisable to purchase one common share of the Company at a price of \$0.05 per share for a period of 24 months from the date of issuance.

Prior to the acquisition, the Acquiror had beneficial ownership and control of 106,082 common shares of the Company, representing approximately 1.4% of the Company’s issued and outstanding common shares as of such time. 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 Company. The 1,940,582 common shares represent approximately 20.58% of the 9,431,518 issued and outstanding common shares of the Company, resulting in an increase by 19.18% to the Acquiror’s holdings after the completion of the acquisition of the Units.

The Acquiror is owned and controlled by Mr. Randhawa as a result of which Mr. Randhawa is deemed a joint actor of the Acquiror. In addition, Mr. Devinder Randhawa personally owns and controls 394,505 common shares of the Company 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 Company.

The securities acquired by the Acquiror are held for investment purposes. The Acquiror will review its investment in the Company’s securities on a continuing basis and such holdings may be increased or decreased in the future. The Acquiror may in the future acquire or dispose of common securities of the Company, through the open market, privately or otherwise, as circumstances or market conditions dictate.

A copy of the Early Warning Report filed under applicable securities laws is available under the Company’s profile on SEDAR (www.sedar.com).

For further information, please contact:

Gallagher Security Corp.
Phone: 1-250-868-8177