

Gallagher Security Corp. Announces Debt Settlement

June 16, 2020 – Kelowna, B.C., Canada – Gallagher Security Corp. (“**Gallagher**” or the “**Company**”) (CSE:GLL), announces that it entered into debt settlement agreements with three non-arm’s length creditors of the Company, Ryan Cheung (CFO), William Marsh (director) and Jamie Bannerman (director), to settle an aggregate \$97,824 of debt in consideration for the issuance of an aggregate 1,630,397 common shares (the “**Shares**”) at a deemed price of \$0.06 per Share (the “**Debt Settlement**”). The debt was for unpaid remuneration for services.

The Debt Settlement constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as the Shares were issued to insiders of the Company. The issuance of Shares are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to subsections 5.5(b) and 5.7(1)(a) as the Company’s common shares are not listed on a specified market and the fair market value of the Shares did not exceed 25% of the Company’s market capitalization.

The Company did not file a material change report in respect of the Debt Settlement at least 21 days before the closing of the Debt Settlement, which the Company deems reasonable in the circumstances as the Company wishes to improve its financial position by reducing its liabilities.

All Shares are subject to a statutory four month hold period.

For further information, please contact:

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