

Form 62-103F1

Required Disclosure under the Early Warning Requirements

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.

Common shares of Gallagher Security Corp. (the “Issuer”) having its head office 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.

On January 8, 2021, RD Capital Inc. (“RD”) disposed of an aggregate of 2,000,000 common shares of the Issuer pursuant to private transactions.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

RD with an address at 700 - 1620 Dickson Avenue, Kelowna, BC V1Y 9Y2, a company controlled by Mr. Devinder Randhawa, the chief executive officer and 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.

On January 8, 2021, RD disposed of an aggregate of 2,000,000 common shares pursuant to private transactions.

2.3 State the names of any joint actors.

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

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 January 8, 2021, RD disposed of an aggregate of 2,000,000 common shares pursuant to private transactions.

Prior to the disposition, RD and Mr. Randhawa owned, directly or indirectly, or exercised control or direction over 8,823,714 common shares (8,129,982 common shares owned by RD and 693,732 common shares owned by Mr. Randhawa). The 8,823,714 common shares represented approximately 51% of the total number of issued and outstanding common shares of the Issuer on a non-diluted basis.

After completion of the disposition, RD and Mr. Randhawa now own, directly or indirectly, or exercise control or direction over, 6,823,714 common shares representing approximately 39.5% of the issued and outstanding shares of the Issuer on a non-diluted basis.

The 2,000,000 common shares represent approximately 11.5% of the total number of issued and outstanding common shares of the Issuer.

RD and Mr. Randhawa also own, directly or indirectly, or exercise control or direction over 1,897,482 common share purchase warrants 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.

On January 8, 2021, RD disposed of an aggregate of 2,000,000 common shares pursuant to private transactions.

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

Not applicable.

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 3.1 above.

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,**

See 3.1 above.

- (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**

Not applicable.

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

Not applicable.

- 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.**

Not applicable.

- 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.**

Not applicable.

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

Not applicable.

- 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.**

Not applicable.

Item 4 – Consideration Paid

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

The consideration payable to RD under each share transfer agreement was at a price of \$0.05 per common share for aggregate proceeds of CDN\$100,000.

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 4.1 above.

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

Not applicable.

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 disposition was made for investment purposes. RD may, in the future, acquire or dispose of ownership and control over additional securities of 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.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

January 9, 2021.

Date

/s/ "Devinder Randhawa"

Signature on behalf RD Capital Inc.

Devinder Randhawa

Director of RD Capital Inc.