

## Gallagher Announces up to \$1.5 Million Private Placement

Kelowna, British Columbia, July 7, 2023 – Gallagher Security Corp. (CSE: GLL) (the “**Company**”) is pleased to announce a non-brokered private placement (the “**Offering**”) for gross proceeds of up to \$1,500,000. Under the Offering, the Company intends to sell up to 21,428,571 units of the Company (each, a “**Unit**”) at a price of \$0.07 per Unit. Each Unit will consist of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant of the Company (a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$0.11 per Warrant Share for a period of 24 months following the Closing Date (as defined below).

The net proceeds from the issue of the Units will be used for the development of certain of the Company’s generative artificial intelligence intellectual property assets that it proposes to acquire from Carbonethic Holding Inc. (“**Carbonethic**”). The Offering is expected to close on or about July 28<sup>th</sup>, 2023, or such other date as determined by the Company (the “**Closing Date**”), and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the acceptance of the Canadian Securities Exchange.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”), the Units issuable under the Offering will be offered for sale to purchasers’ resident in Canada (the “**Purchasers**”) pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the “**Listed Issuer Financing Exemption**”). Because the Offering is being completed pursuant to the Listed Issuer Financing Exemption, the securities issued to the Purchasers in the Offering will not be subject to a hold period pursuant to applicable Canadian securities laws.

The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any U.S. state securities laws, and may not be offered or sold in the United States absent registration or available exemptions from such registration requirements. This news release does not constitute an offer to acquire securities in any jurisdiction.

There is an offering document related to the Offering (the “**Offering Document**”) that can be accessed under the Company’s profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.gallaghersecurity.ca](http://www.gallaghersecurity.ca). The Purchasers will have the benefit of the Offering Document and the rights provided under the Listed Issuer Financing Exemption. Prospective investors should read the Offering Document before making an investment decision.

### ON BEHALF OF THE BOARD OF DIRECTORS

“Dev Randhawa”  
Dev Randhawa, President and Director

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*Certain statements in this news release are forward-looking and involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of the phrase 'forward-looking information' in National Instrument 51-102 – Continuous Disclosure Obligations (collectively, "forward-looking statements"). Forward-looking statements are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", "plan" or variations of such words and phrases. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these forward-looking statements are based on information currently available to the Company, the Company provides no assurances that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements.*

*Forward-looking statements in this news release include, but are not limited to, statements concerning the Company's expectations with respect to the Offering; the use of proceeds of the Offering; and completion of the Offering and the date of such completion.*

*Factors that could cause actual results to differ materially from such forward-looking statements include, but are not limited to, those risks and uncertainties identified in public filings made by the Company with applicable Canadian Securities regulatory authorities, and the following: failure to successfully obtain regulatory approvals as applicable; failure to successfully acquire the generative artificial intelligence intellectual property assets from Carbonethic; the Company's inability to raise additional capital for project activities, including through equity financings, or otherwise; changes in equity markets; uncertainties relating to the availability and costs of financing needed in the future; the inability of the Company to budget and manage its liquidity in light of the failure to obtain additional financing; inflation; changes in exchange rates; and delays in the development of projects. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements in this news release are reasonable, undue reliance should not be placed on such statements or information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all, including as to whether or when the Company will achieve its initiatives, or as to the actual size or terms of those initiatives. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*