



News Release

TSXV, Tier 1: "NTS"

OTCQX: "NTSFF"

Nanotech Security to Supply Security Feature for Major New Banknote

VANCOUVER, British Columbia – May 12, 2016 – Nanotech Security Corp. (TSXV: NTS) (OTCQX: NTSFF), today announced that it has completed the rigorous supplier acceptance process and has commenced production and delivery of Nanotech’s proprietary colour-shifting Optical Thin Film (“OTF”) that will be used as windowed security thread in banknotes for a large Asian country. The OTF will be produced in co-operation with Hueck Folien, the Company’s licensed production partner. Production is expected to ramp up over the next few months which will position Nanotech to supply this customer through 2017 and beyond. Due to the confidential nature of the supply arrangement, commercial terms were not released but is expected to have a significant effect on Nanotech revenues.

“Adding to the recent traction we’ve seen with major international banknote suppliers, having our technology appear on this important newly issued denomination further confirms that our authentication products are a preferred solution for securing currency internationally,” stated Doug Blakeway, Nanotech’s CEO. “Working closely with our customer and Hueck Folien has allowed us to begin high volume production. We are confident Nanotech will be well positioned to supply this issuing authority with colour-shifting OTF for banknotes for many years to come.”

About Nanotech Security

Nanotech Security Corp. is a leading innovator in the design and creation of advanced security products and surveillance solutions. Nanotech’s KolourOptik® and Plasmogram™ products are nanotechnology-based product platforms originally inspired by the unique optical properties of the iridescent wings of the Blue Morpho butterfly. The company’s security products include intense, high definition optically variable images and colour-shift optical thin films, which are activated by a simple tilt or rotation. With higher resolutions than the best LED-displays, these images are ideal for authentication of currency, passports, and identification cards in addition to distinguishing high quality branded goods from counterfeits. Nanotech’s surveillance division designs and manufactures sophisticated surveillance and intelligence gathering communications and forensic equipment for the law enforcement and intelligence communities. The company also runs a state-of-the-art training academy that provides technical surveillance instruction to the law enforcement community.



Additional information about Nanotech can be found at www.nanosecurity.ca, the Canadian disclosure filings website www.sedar.com or the OTCMarkets disclosure filings website www.otcm Markets.com.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to anticipated developments in our operations in future periods, the adequacy of our financial resources, and events or conditions that may occur in the future. When used in this news release, the words such as “plan”, “expects”, “pursue”, “will”, and similar expressions or statements generally identify forward-looking statements. These statements reflect our current expectations. The principal risks related to these forward-looking statements are that the Company’s intellectual property claims will not prove enforceable to provide the necessary commercial protection, the Company is not able to attract the necessary capital, and/or that the Company’s products will not be able to displace entrenched hologram, metalized strip tagging, or other conventional anti-counterfeiting technologies sufficiently to allow for profitability. In light of the many risks and uncertainties, there can be no assurance that the forward-looking statements contained in this news release will be realized.

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