



News Release

TSXV, Tier 1: "NTS"
OTCQX: "NTSFF"

Nanotech Security Corp. Announces Closing of \$13.3 Million Bought Deal Financing

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VANCOUVER, British Columbia – May 18, 2017 – Nanotech Security Corp. (TSXV: NTS) (OTCQX: NTSFF) is pleased to announce the closing of its previously announced bought deal private placement with a syndicate of underwriters led by Haywood Securities Inc., and including Echelon Wealth Partners Inc., Canaccord Genuity Corp. and GMP Securities L.P. (collectively the "Underwriters"), pursuant to which the Company issued 11,586,870 common shares (the "Shares") of the Company at a price of \$1.15 per Share for gross proceeds of \$13,324,900.50 (the "Offering"). The Offering included the Underwriters exercising their over-allotment option for an additional 1,152,087 common shares.

The Company intends to use the net proceeds of the Offering to simplify and improve Nanotech's capital structure by immediately redeeming the \$4.2 million of convertible debentures that bear an interest rate of 12% per annum and are convertible at \$1.25, to increase production capacity, strengthen the balance sheet and general corporate initiatives.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements about the proposed financing. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "predicts", "potential", "targeted" "plans", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. All statements, other than statements of historical fact, included herein including, without limitation; statements about opportunities that could accelerate the growth of the Company and use of proceeds are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements made in this news release are qualified by risk factors contained in our public filings at www.sedar.com and there can be no assurance that actual results or developments that we currently anticipate, including completion of the financing, will be realized. Nanotech disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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