

December 9, 2016



SDI Announces Closing of US \$1.5 Million Financing

FITCHBURG, Mass.--(BUSINESS WIRE)-- Security Devices International Inc. (TSX-V:SDZ) (OTCBB:SDEV):

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Security Devices International Inc. ("SDI" or the "Company") announced today that it has completed the issuance of senior secured convertible notes (the "Senior Secured Notes") to raise USD \$1,500,000. This offering was announced and described in the Company's news release of October 18, 2016.

It was a condition of the offering of Senior Secured Notes that not less than 80% of SDI's outstanding unsecured debentures (the "Unsecured Debentures") be exchanged for subordinate convertible secured debentures (the "Subordinate Secured Debentures"). \$1,402,000 of the Unsecured Debentures (being \$1,363,000 of principal and \$29,000 of interest) were exchanged for Subordinate Secured Debentures, representing approximately 88% of the outstanding Unsecured Debentures due to mature in June of 2019.

The issuances of Senior Secured Notes and Subordinate Secured Debentures were non-brokered transactions.

SDI issued USD \$275,000 of Senior Secured Notes to subscribers who are related parties of SDI under Multilateral Instrument 61-101 ("MI 61-101"). SDI is exempt from the formal valuation requirement and shareholder approval requirement of MI 61-101, as described in more detail in the material change report to be filed in connection with this private placement.

SDI's CEO Dean Thrasher commented on funding, "Closing the financing gives the Company the capital to expand our product offering and distribution capabilities. This financing will also allow us to finish several development projects which should in turn help us to bring a number of exciting new products to market over the next 18 months."

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute forward-looking statements. These statements relate to future events or SDI's future performance and include the expansion of SDI's product offering and the completion of several development projects. All such statements involve substantial known and unknown risks, uncertainties and other factors which may cause the actual results to vary from those expressed or implied by such forward-looking statements. Forward-looking statements involve significant risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not

necessarily be accurate indications of whether or not such results will be achieved. Actual results could differ materially from those anticipated due to a number of factors and risks. Although the forward-looking statements contained in this news release are based upon what management of SDI believes are reasonable assumptions on the date of this news release, SDI cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this press release are made as of the date hereof and SDI disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

About Security Devices International Inc.

SDI is a defense technology company specializing in the sale of innovative, next generation non-lethal ammunition and tactical gear. The Company's munition solutions are a safer alternative to conventional crowd control devices currently in the marketplace, such as beanbags and batons as well as plastic, wood and rubber bullets. SDI is currently deploying their family of non-lethal munitions to law enforcement, correctional services and homeland security agencies across the globe.

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