August 28, 2013

Security Devices International Inc. Announces Completion of IPO

TORONTO, ONTARIO -- (Marketwired) -- 08/28/13 -- Security Devices International Inc. ("SDI") (TSX VENTURE:SDZ) (OTCBB:SDEV), a defense technology company specializing in the development of innovative, next generation non-lethal ammunition, announced today it has completed an initial public offering (the "Offering") and that its common shares are expected to commence trading on the TSX Venture Exchange ("TSXV") under the symbol "SDZ" on or about September 3, 2013. The Offering raised total gross proceeds of CDN$3,993,980 through SDI's agent, Macquarie Private Wealth Inc. (the "Agent").

On August 15, 2013, SDI filed an amended and restated final prospectus (the "Prospectus") in the provinces of Alberta, British Columbia and Ontario, and had earlier received conditional approval to list its common shares ("Common Shares") on the TSXV. A copy of the Prospectus can be viewed on SEDAR (www.sedar.com).

Pursuant to the Offering, SDI raised total gross proceeds of CDN$3,993,980 through the issuance of 9,984,950 Common Shares at a price of CDN$0.40 per Common Share (the "Issue Price"). A cash commission of CDN$359,458 was paid, and an option (the "Agent's Option") to purchase up to 898,645 Common Shares was issued to the Agent and members of its selling group. The Agent's Option entitles the Agent and members of its selling group to purchase Common Shares at a price of CDN$0.40 per Common Share until August 27, 2015.

4,377,300 Common Shares held by principals of SDI prior to completion of the Offering will be held in escrow, 10% of such Common Shares will be released upon the Common Shares being listed on the TSXV and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201. In addition, 3,500,000 Common Shares held by non-principals prior to completion of the Offering will be subject to resale restrictions imposed by the TSXV, all of which will be subject to the same release schedule noted above for principals.

Upon completion of the Offering, $2,297,044 of convertible debentures (including $279,188 of interest) was converted to 2,213,711 Common Shares, resulting in the discharge of those debentures.

The holder of a bridge loan has exercised the holder's right to convert that the principal and interest (totaling CDN$382,013.70) into common shares at CDN$0.2775 per share, resulting in the issuance of 1,376,625 common shares. SDI had expected to repay this loan out of the proceeds of the Offering.

Following completion of the Offering and the debt conversions described above, SDI will have a total of 46,869,199 Common Shares issued and outstanding, an additional 898,645

Common Shares are subject to issuance pursuant to the Agent's Option, an additional 4,644,000 Common Shares are subject to issuance pursuant to outstanding warrants, and an additional 1,510,000 Common Shares are subject to issuance pursuant to outstanding stock options, for a total of 53,921,844 Common Shares on a fully diluted basis.

This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of SDI in any jurisdiction.

About Security Devices International Inc.

Security Devices International Inc. ("SDI" or "The Company") is a defense technology company specializing in the development of innovative, next generation non-lethal ammunition. SDI is currently in the market-entry stage of deploying their family of non-lethal ammunition to global militaries, law enforcement and correctional agencies.

Forward Looking Statement

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements including information with respect to the offering and the listing of the common shares on the TSXV. These statements are based upon assumptions that are subject to significant risks and uncertainties including those risks identified in the Prospectus. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although SDI believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, SDI disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Security Devices International Inc.
Allen EZER
Exec. VP
202-351-1633 (U.S.A) or 416-453-7798 (Canada)
www.securitydii.com

Source: Security Devices International Inc.