August 7, 2014

SDI Closes Over-Subscribed Brokered Private Placement

WASHINGTON & OAKVILLE, Ontario--(BUSINESS WIRE)-- (TSX-V: SDZ) (OTCBB: SDEV)

Security Devices International Inc. (TSX-V: SDZ)(the "Company") announces that it has issued 1,549 convertible unsecured debentures (the "Debentures") at a price of $1,000 each to raise gross proceeds of $1,549,000.

The Debentures mature on August 6, 2017 and bear interest at the rate of 12% per annum calculated and payable semi-annually. Each Debenture is convertible at the election of the holder into common shares of the Company (the "Common Shares") at a price of $0.50 per Common Share, exercisable at any time prior to the maturity of the Debentures.

At any time after February 6, 2015, the Company has the right to force the conversion of the Debentures into Common Shares if the Common Shares trade at a price of at least $0.65 per Common Share for a period of at least 20 consecutive trading days. If the Common Shares do not trade on any trading day and the bid price of the Common Shares is $0.65 or greater, the Common Shares shall be deemed to have traded at a price of at least $0.65 on that trading day.

The Company has the right to redeem the Debentures, in whole or in part, (a) during the 12 months ending August 6, 2015, at a premium of 15% to the principal amount being redeemed plus any accrued interest, (b) during the 12 months ending August 6, 2016, at a premium of 5% to the principal amount being redeemed plus any accrued interest, (c) during the 12 months ending August 6, 2017, at a premium of 2% to the principal amount being redeemed plus any accrued interest.

The Debentures are subject to a hold period, and any Common Shares issued under the Debentures, are subject to a hold period expiring on February 6, 2014, subject to applicable laws and certain conditions.

Proceeds from the private placement will be used for the expansion of the Company's sales force network, the purchase of inventory and working capital purposes.

The private placement was conducted on a brokered private placement basis. Fin-XO Securities Inc. (the "Agent") acted as agent. The Agent received (a) a cash commission of $105,930, (b) non-transferrable warrants to purchase 151,900 Common Shares at a price of $0.50 per share during the ending August 5, 2016, (c) a corporate finance fee of $8,475, and (d) reimbursement of the expenses of the Agent.

The Company issued $50,000 of Debentures to a subscriber who is a related party of the Company under Multilateral Instrument 61-101 ("MI 61-101"). SDZ 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. The filing of a material change report less than 21 days before the closing date of the private placement was necessary in order to complete the private placement in a timely manner.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such province, state or jurisdiction.

About Security Devices International

Security Devices International Inc. (SDI) is a defense technology company specializing in the sale of innovative, next generation non-lethal ammunition. The Company's solutions are a safer alternative to conventional crowd control devices currently in the marketplace, such as bean-bags, batons, as well as both plastic and rubber bullets. SDI is currently deploying their family of non-lethal ammunition to foreign militaries, law enforcement, correctional services and homeland security agencies across the globe.

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.

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. Because of certain 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
T: 202-351-1633 (U.S.A)
T: 416-453-7798 (Canada)
Or visit: www.securitydii.com

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