NANOTECH SECURITY CORP.

ANNUAL INFORMATION FORM

July 3, 2013
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CORPORATE STRUCTURE</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>GENERAL DEVELOPMENT OF THE BUSINESS</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>CURRENT BUSINESS OPERATIONS</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>RISK FACTORS</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>DIVIDENDS AND DISTRIBUTION</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>DESCRIPTION OF SHARE CAPITAL</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>MARKET FOR SECURITIES</td>
<td>9</td>
</tr>
<tr>
<td>7.1</td>
<td>TRADING PRICE AND VOLUME</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>DIRECTORS AND OFFICERS</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>CONFLICTS OF INTEREST</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>LEGAL AND REGULATORY MATTERS</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</td>
<td>14</td>
</tr>
<tr>
<td>12</td>
<td>TRANSFER AGENT AND REGISTRAR</td>
<td>15</td>
</tr>
<tr>
<td>13</td>
<td>MATERIAL CONTRACTS</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>ADDITIONAL INFORMATION</td>
<td>16</td>
</tr>
</tbody>
</table>
Item 1  Corporate Structure

Nanotech Security Corp. (herein “Nanotech” or “the Company”) was incorporated under the laws of the Province of British Columbia, Canada on May 4, 1984. It was originally incorporated as Cancom Industries Ltd. and its name was changed three times in order to reflect changes in its business. It changed its name to Strategic Technologies Inc. on July 18, 1990 and to Wireless2 Technologies Inc. on October 24, 2005. Its current name, Nanotech Security Corp. was adopted on April 14, 2010. It continues to be a corporation governed by the laws of British Columbia.

The only change to the Company’s constitutional documents was to update corporate articles in 2005 to reflect the adoption of a new British Columbia corporate law statute (formerly The Company Act now the Business Corporations Act) and in 2011 to update certain governance provisions. Accordingly, the Company’s articles were replaced in their entirety effective March 2, 2006 and again on March 23, 2011. The current corporate Articles are on file at www.SEDAR.com.

The Company’s primary business is development of nano-optic technology based security features and commercial brand authentication solutions. This nano-optic technology business operates under the name of Nanotech Security Corp., while the Company’s wholly-owned subsidiary operates a separate business under the name of Tactical Technologies Inc. (“Tactical”). Tactical’s business is manufacture and sale of covert surveillance and security equipment to law enforcement agencies. It operated from facilities in Holmes, PA, USA.

The Company’s head office is at Suite 308 - 2999 Underhill Avenue, Burnaby, BC Canada, V5A 3C2. The Company’s registered and legal records office is in care of its attorneys, McMillan LLP at Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7.

Tactical’s corporate record office is c/o Delaware Corporation Organizers, Inc., 1201 North Market Street, P.O. Box 1347, Wilmington, Delaware, U.S.A. 19801. Tactical’s Delaware corporate ID number is #2835131.

Item 2  General Development of the Business

From 1992 to 2006, the Company was a manufacturer of radio signal based devices used for monitoring the activities of offenders (such devices are commonly known as “ankle bracelets”). These ankle bracelets were deployed by correctional agencies primarily in the United States. The ankle-bracelet and related monitoring business had annual revenues of several million dollars with intermittent profitability. The business was sold in 2006 to UK based G4S plc, an international security services company. In the subsequent three years, the Company examined a number of business opportunities before selecting nano-optic technology platform as its new business venture.

The major developments in the Company’s nano-optic business have taken place over the three fiscal years to September 30, 2101 and the nine months ended June 30, 2013. Currently, the Company’s focus is the development of anti-counterfeiting and product authentication solutions
based on the nano-optic technology. Since late 2009, the Company has invested approximately $4 million into this technology.

This proprietary nano-optic technology was first identified as a potential business opportunity by the Company’s founder, CEO and principal shareholder, Mr. Doug Blakeway. Mr. Blakeway served as entrepreneur in residence (EIR) at Simon Fraser University (“SFU”) for many years prior to 2009. As an EIR, Mr. Blakeway mentored and assisted senior students as well as academic researchers in evaluating commercialization opportunities for their research. Mr. Blakeway also worked with the university’s business liaison office to source investment and seek industry development partnerships for university sponsored technologies which appeared to have potential commercial applications. In the course of working as EIR, Mr. Blakeway encountered research being led by Professor Bozena Kaminska (now a Company Director) and then graduate student, Mr. Clint Landrock (now the Company’s Executive Vice President, Products).

Mr. Blakeway’s interest in the research resulted in the establishment of two private corporations, IDME Technologies Corp. (“IDME”) and IDIT Technologies Corp. (“IDIT”). The two companies were incorporated by Mr. Blakeway, Dr. Kaminska and Mr. Landrock for the purpose of seeking a license from SFU for the intellectual property that Dr. Kaminska’s research group developed. IDIT was established to hold title to patents whereas IDME would have the rights to sublicense the patented intellectual property owned by IDIT. In July 2009, IDME/IDIT acquired a licence from SFU for a number of technologies and sought public and private third parties willing and capable of funding development and commercialization activities for the licensed technologies.

In September 2009, Mr. Blakeway presented the nano-optic technology opportunity to the Company’s Board of directors. Following a review of the technology, the Company provided a letter of intent dated November 9, 2009 to IDIT/IDME whereby it would sublicense the anti-counterfeiting and product authentication uses of three separate nanotechnologies, all of which had originated at SFU. The three technologies included (1) encoded programmable arrays of nano-sized sub-wavelength rays of holes embedded in substrates in a manner that produces a unique optical response; (2) a solid state capacitive device made from an ionic polymer metal composite and (3) a technology which combines the polymethyl composition with organic photovoltaic cells to create thin flexible energy generation and storage devices. To the knowledge of the Company, the proprietary nano-optic technology is unique.

Following the November 9, 2009 letter of intent the Company entered into a licence and commercialization agreement (the “License”) with IDME/IDIT dated for reference November 9, 2009 and filed at www.SEDAR.com on February 4, 2011. (See “Material Contracts” herein for further particulars of the License).

Over the past three years and nine months, the Company financed the research and development activities of its nano-optic technology from working capital and two subsequent private placements. As of September 30, 2009, the Company had approximately $2.16 million in working capital and the Company later completed a small ($400,050) private financing in fiscal 2010. In fiscal 2012, the Company completed a $1.76 million private placement and also received the proceeds of $251,700 in warrants exercised from the 2010 placement and the Company’s directors exercised options in November 2012 for net proceeds of $122,500. Thus,
the Company has had access to approximately $4.7 million in funding over the last three fiscal years and nine months. It had approximately $790,000 in working capital as of March 31, 2013 and so has expended an average of approximately $1.3 million per year on the technology and corporate costs. This average rate of expenditure has increased more recently as the Company has retained additional staff and secured new leasehold premises further described herein.

The Company has been able to reduce development costs by using the 4D LABS research facilities at SFU. 4D LABS has state of the art equipment (electron beam machinery) which is very specific to nanotechnology development and is available to Canadian industry users on a daily fee basis. This approach has avoided high capital costs which would otherwise be required to pursue development of nano-optical technology products.

**Item 3 Current Business Operations**

Over the past three years, the Company has successfully demonstrated proof-of-concept of the nano-optic technology and its compatibility with large scale manufacturing techniques through testing by independent third parties. The Company is currently at the pre-commercialization stage and is actively seeking manufacturing partners, channel partners and commercial contracts over a range of prospects. Potential market applications include security features for currencies (banknotes and coins), government issued documents (passports, driver’s license, birth certificates, etc.), payment cards, as well as brand authentication features for clothing & apparel, event and lottery tickets, sporting goods, luxury products, etc.

As at June 2013, the Company’s nano-optic products do not yet have any customers or commercial contracts. However, with the success of the commercial-scale production trials and based on recent discussions with various potential customers, the Company believes that commercial and/or collaboration agreements could come to fruition within the next several months. The Company’s current target markets include governmental banking authorities, bank note printers, governmental agencies concerned with document security such as passports, as well as commercial corporations which have valuable brands to protect. The Company believes that its nano-optic features can also be used for marketing and brand enhancement purposes due to the strikingly vivid and intense high definition effects of the feature designs when embossed onto commercial products and packaging.

In 2012, the Company demonstrated scalability of the nano-optic technology through successful production trials with two major U.S based security foil manufacturers. Scalability was first demonstrated by embossing tens of thousands of nano-optic designs onto rolls of clear film substrates that were approximately 12 inches (30 centimetres) wide. The embossed designs had excellent transfer yield (full replication of designs) and optical efficiency (intense high definition colours in replication) over the entire run. In September 2012, the Company announced that it had achieved a further technological advancement through the successful production of metallized nano-optic images in a commercial scale production trial-run of over 1,500 feet of film (clear polymer backed by thin metal foil). This production trial produced approximately 250,000 individual iridescent nano-optic designs approximately 1 centimetre square (half-inch sq) in size.
The Company is currently carrying out research and development activities both at SFU (in the 4D LABS facility) as well as at the Company’s recently leased facilities at Suite 308-2999 Underhill Avenue, Burnaby, BC V5A 3C2. The Company currently has 6 full time employees and 4 part-time employees, all of whom work out of the Burnaby facility.

The Company also has a legacy business operated through a U.S. subsidiary headquartered in Holmes, Pennsylvania which produces covert surveillance equipment primarily for law enforcement agencies in the United States. The Company currently has 17 employees and 2 part-time employees, all of whom work out of the Holmes, Pennsylvania facility. That business, which operates as Tactical Technologies Inc., is not considered a material aspect to NTS’ long-term business strategy, notwithstanding that its operational cash flow continues to be material to the Company’s financial operating accounts. The Company expects to sell or otherwise dispose of this business in the intermediate term.

**Intellectual Property**

In October 2012 United States patent No. 8,253,53682 was issued in the names of Dr. Kaminska and Mr. Landrock as co-inventors. The patent is beneficially owned by Simon Fraser University but will be assigned to IDIT (along with other IP rights licensed in 2009) upon completion by IDIT of its underlying obligations under its licence agreement with SFU. This is expected to be achieved in the next twelve months. This patent covers a number of core aspects of the Company’s technology including claims for the use of optically efficient nano-hole arrays as security features and the use of nano-scale structures that are smaller than a wavelength of light in conjunction with printable electronic components such as electronic displays, batteries and solar cells.

In addition to the granted patent described above, the Company and/or IDME/IDIT, have filed a number of patent applications in respect of the processes for creation of the nano-hole masters (or wafers) including claims for other functionality, design and manufacturing processes. There can be no certainty that these patents will ultimately issue as filed or in any other significant way.

The Company has also secured trademarks or is in the process of securing such protection, to the exclusive use of KolourOptik®, N.O.T.E.S.® and Plasmogram® for use with commercial products.

**Expected Products**

The specific products and services which will eventually be offered for sale, if any, are not currently known with any certainty. However, the Company believes that it is likely that its initial commercial product offerings will be a combination of design and production of nano-optic master wafers for use in creating commercial scale nanohole images together with intellectual property licenses for the use of the master wafers.

In general, a master wafer is a stamp made of metal or other hard material typically of a few centimetres square in size. The wafers are capable of embossing (imprinting) arrays of nano-scale holes onto a variety of substrates such as polymer films and metal. The embossed holes will reflect light to create visual images with intense high definition colours. A typical master
wafer will contain inverse nano-structures, i.e. nano-scale pillars, in order to produce nano-scale holes, when embossed onto substrates.

The Company’s nano-optic designs can range from simple shapes, designs, or logos to more complex images. The Company’s technical team has recently developed designs which consist of multi-frame animation (e.g. a wheel turning or a figure walking). The Company believes that its nano-optic features reflect the state of the art in image-based security features and that they have a number of advantages over competing technologies such as holograms. These advantages include the fact that the images are created in a single print (as opposed to multiple overlapping layers for holograms), the images are directly embossed onto substrates and will not scratch off like some holograms. In addition, the nano-optic technology produces intense high definition colours, dramatic colour-shifts, colour on-off shifts and apparent motion (animation) effects that have not been achieved to date with holograms.

The Company’s technology has been developed by scientists and engineers with high levels of research and technical skills. Two of the Company’s employees hold doctorate degrees with special materials knowledge as well as programming skills related to the electron beam machinery. This programmable machinery creates the nano-scale holes in arrays based on algorithms which determine the shape, colour, image, and image shifts and other aspects of the desired master wafer. The Company has developed much of this specialized skill internally and believes that its senior technical employees will remain important to its development for the foreseeable future.

Technology Particulars

The Company’s nano-optic technology known as KolourOptik® exploits an electro-magnetic wave physics phenomenon known as the “surface plasmonic” effect. This effect is seen in nature on the wings of the Blue Morpho butterfly with its bright deep blue iridescent colour. This blue colour is created without the presence of colour pigments or dyes, but simply by means of the optical properties of the wing surface containing nano-structures. The plasmonic effect occurs in several circumstances but in the case of the Company’s technology, it results when light waves strike a surface containing particular surface contours. These surfaces contain hundreds of millions of nanoholes (nano=billionth of a meter) that are embossed onto the substrate. The uniqueness of the nanoholes lies in the fact that they are too small for the light waves to penetrate and as a result, the plasmonic effect causes vibrant colour combinations and shapes to scintillate from the surface contours.

KolourOptik® periodic nano-scale optical structures are directly embossed onto the surface of a substrate material. The density of nano-holes created in the substrate materials is approximately 10 times greater than the density of nanoholes found on the Blue Morhpo butterfly. Working through programmable machinery in the nano-scale allows for precise tuning of the nano-hole arrays which ultimately determine the colours in the UV, visible, and infrared ranges. This results in optical structures that exhibit “pure iHD” (pure single light colour of intense high definition) colour effects. These effects are to the knowledge of the Company unparalleled by other state-of-the-art holographic technologies.
The degree of vibrancy produced by the KolourOptik® features are so robust that they can be seen in very low intensity and diffuse light conditions. KolourOptik® also has a unique image visible/not visible mode, which eliminates the underlying shadow that is seen in holograms. Other competitive capabilities of KolourOptik® include: fine motion/animation, colour images appearing on a transparent background, and full colour high resolution portraits and landscapes. In addition to overt features, KolourOptik® features can also be offered as machine readable covert features as well as forensic (covert) features that are detectable only by sophisticated instruments such as electron high resolution microscopes. Metallic coatings such as gold, silver, copper and aluminum can be added for additional plasmonic spectral signals which results in enhanced optic features.

KolourOptik® master wafer stamps are physically created by using electron-beam lithography (“EBL”), which is a highly sophisticated patterning technique that generates images by scanning a beam of high-energy electrons across a surface to pattern a series matrix of holes. The sizes as well as the unique shapes and spacing between the holes are trade secrets. Some substrate materials suitable for use as a master wafer for embossing images include, but are not limited to, silicon, silicon based materials, quartz (such as fused quartz), other SiO₂ based materials, glass, resins, sapphire or other Al₂O₃ based materials, nickel or nickel containing alloys, other suitable metals and/or alloys, and polymer and ceramic materials suitable for high vacuum environments.

The master wafer image production process begins with creating designs which are subsequently converted to GDS-II machine-readable files that are compatible with EBL. This file conversion is performed using internally developed and customized file conversion software called NanoArt. NanoArt converts common software image files such as PNG, JPEG, TIFF, etc. into GDS II files using algorithms developed using company trade secrets. The Company has pioneered this patent pending image origination process that is three to four times faster than standard EBL techniques and believes it has the potential to increase to one hundred-fold faster than traditional EBL techniques using the same equipment. This reduction in image origination time has allowed the full development of quartz master wafers containing KolourOptik® images to be produced in days as opposed to months.

The fabrication of the original master wafer involves a suitable substrate master material comprising a substrate, and processing layers sequentially deposited on the master substrate comprising a lift-off layer which is in contact with the substrate, a pattern transfer layer on top of the lift-off layer, and a writing layer on top of the pattern transfer layer. The master wafer origination process is generally described as follows:

1) Using the EBL, pattern the desired nano-structures in the writing layer. This will reveal the pattern transfer layer underneath.

2) Transfer and enlarge the nano-structure patterns into the pattern transfer layer by applying a chemical etchant. This will produce enlarged nano-structures in the pattern transfer layer.

3) Undercut the lift-off layer using a chemical etchant to create enlarged lift-off structures in the lift-off layer. This will reveal the substrate underneath.
4) Remove the writing layer to reveal enlarged nano-structures in the pattern transfer layer.

5) Apply a chemical etchant to the substrate through the enlarged nano-structures in the pattern transfer layer to produce final enlarged nano-structures in the base substrate material (e.g. quartz, silicon, nickel etc.).

The original master wafer is replicated into a secondary nickel operating shim by incorporating some company trade secrets into layup casting and electroplating techniques. These secondary nickel operating plates are thin enough to be wrapped around cylindrical drums for large scale roll-to-roll production with both metalized and non-metalized (transparent) thin films. A roll-to-roll production is a conventional commercial process to print production of images on rolls of films continuously in long-run commercial scale. Following roll-to-roll production of KolourOptik® images on thin films, the films are laminated for protection and then die-cut to the desired sizes and shapes.

Competitive Conditions

Potential market applications of KolourOptik® are believed to be significant since the technology can either be applied directly onto a finished product, or applied as a tag or label. While the banknote and currency industries remain a premium target market, other target markets include, coins, events and lottery tickets, government issued documents, luxury goods, clothing and apparel, and pharmaceuticals.

At this stage, it is difficult for the Company to evaluate its competitive landscape since the technology is nascent. Currently, image-based authentication solutions are supplied by the hologram technology industry in certain markets; therefore, it can be inferred that companies in this space are competitors. The Company believes that its technology is superior to holograms both because holograms require several more sequential processes (which increase costs) and because holograms are more susceptible to counterfeiting. Other image-based security features such as woven threads and foil applications have similar drawbacks in terms of cost, susceptibility to faking and longevity. In the product authentication area, the Company will compete against other conventional authentication technologies including colour shifting inks, radio frequency identification (RFID) tags and micro-image tags. The Company cannot yet predict if the business will be cyclical, subject to near-term obsolescence, or if it will be economically dependent on a small number of customers or unusually affected by laws.

There are no environmental or foreign operational aspects to the Company’s core nano-optic technology business. The legacy operations at Tactical are subject to a large number of U.S. laws pertaining to production and deployment of covert surveillance equipment.

The Company also believes that the potential for new products exploiting nano-optic technology is large given that the technology is at its infancy. The Company has received a number of requests to discuss potential collaboration on the development of new products. However, these discussions have not culminated in commercial agreements as of the date of this annual information form.
**Tactical’s Surveillance Equipment Business**

The Company’s subsidiary Tactical Technology currently employs a staff of 17 employees and 2 part-time employees out of leased premises in Holmes, Pennsylvania. The Company produces covert surveillance equipment (body wires, eavesdropping and tracking equipment) for law enforcement agencies in the United States (drug enforcement and local, state and federal agencies). Revenues at Tactical are currently at approximately $2 million annually and reflect approximately a 15% decrease in revenues over each of the last two years. The operation breaks even and it is likely that the Company will seek to divest itself of the Tactical operation in the near to medium term.

The Company has not been involved in any bankruptcy, credit or protection proceedings nor has it been involved in any reorganization other than the disposal of its offender monitoring business in 2006.

**Item 4  Risk Factors**

The Company’s management believes that its primary risks are twofold namely that the nanotechnology security features do not achieve commercial acceptance and/or that the Company’s financial resources are inadequate to carry out sufficient development and marketing to create and sustain a viable product and business. One of the Company’s main target markets, bank note anti-counterfeiting features, is highly security sensitive, has long product development lead times, and requires considerable investment by companies and involves many competitors with much greater financial and technical resources than those possessed by the Company. While the Company’s development efforts to date have been carried out with minimal financial resources (approximately $1.3 million per year), the Company expects that accelerating its research and development programs as well as preparing for commercialization will require either a significant partner collaboration or significantly greater financial resources through raising funds most likely through common share equity sales. If some partnership develops the Company will likely be giving up a significant portion of the potential upside from any products and if the Company needs to finance itself, existing shareholders are likely to be significantly diluted. There can be no assurance given that the Company will be able to secure financing on any terms much less advantageous or even reasonable ones and no assurance can be given that any industry partnership will be offered to the Company.

The Company’s intellectual property is new and has not been legally tested. While the Company believes that its prior art review was reasonably diligent and so does not believe that its patents or intellectual property infringe on the rights of any third party, it does not have the benefit of any history of challenges to the validity of its patent claims. As with any new technology there are risks that the Company will be unable to protect aspects of its technology or that rights which it believes are adequately protected can be circumvented by technology work-arounds; there can be no certainty that its technology does not infringe the rights of any other person. There can be no certainty that the Company’s patent applications will result in issued patents or that some competitor will not succeed in leap-frogging the Company’s technology making it obsolete or of limited value.
The Company is dependent on its key executive and technological officers and employees, in particular Mr. Blakeway, Dr. Kaminska and Mr. Landrock as well as several of its engineering employees. The loss of any of these individuals could adversely affect the likelihood and/or timing of any technical or commercial initiatives which the Company is planning.

The Company, despite its nearly 30 year existence, must be considered a start-up business with limited resources and all the risks that this status entails. The Company should be considered for investment only by those who can assume significant risk of a loss of their entire investment.

**Item 5 Dividends and Distribution**

The Company has never paid a cash dividend or other distribution nor is it likely to do so in the foreseeable future. All of the Company’s financial resources will be needed to develop its products and services and to commercialize them.

**Item 6 Description of Share Capital**

The Company has only one class of share capital namely common shares without par value of which there are an unlimited number and an aggregate of 29,829,463 which are issued and outstanding as of the date hereof. The Company also has an aggregate of 1,006,000 share purchase options with an exercise price of $0.80 per share which are exercisable over the next two-to-three years.

There are no constraints imposed on the ownership of the securities of the Company nor does the Company have any required minimum level of Canadian resident ownership. The Company’s securities are not rated.

**Item 7 Market for Securities**

**7.1 Trading Price and Volume**

The Company’s shares are traded only on one exchange namely the TSX Venture Exchange. The Company’s trading by month since October 1, 2011 is as follows:

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<tr>
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<td>October 2011</td>
<td>403,395</td>
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<tr>
<td>November 2011</td>
<td>314,350</td>
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<tr>
<td>December 2011</td>
<td>111,678</td>
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<td>0.73</td>
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<tr>
<td>January 2012</td>
<td>285,425</td>
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<tr>
<td>February 2012</td>
<td>222,552</td>
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<tr>
<td>March 2012</td>
<td>173,186</td>
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<td>April 2012</td>
<td>69,400</td>
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<tr>
<td>May 2012</td>
<td>109,455</td>
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<td>June 2012</td>
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<td>January 2013</td>
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<td>June 2013</td>
<td>87,927</td>
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**Item 8 Directors and Officers**

The following disclosure sets out the names of the Company’s officers, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each person, directly or indirectly, or over which each exercised control or direction as at the date hereof:

<table>
<thead>
<tr>
<th>Nominee Position with the Company and Province and Country of Residence</th>
<th>Period as a Director or Officer of the Company</th>
<th>Common Shares Beneficially Owned or Controlled(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas H. Blakeway(2)(3) President, Chief Executive Officer and Director British Columbia, Canada</td>
<td>Since May 4, 1984</td>
<td>4,765,624(5)</td>
</tr>
<tr>
<td>Dr. Bozena Kaminska(3) Chief Scientific Officer and Director British Columbia, Canada</td>
<td>Since March 23, 2011</td>
<td>1,251,641(5)</td>
</tr>
<tr>
<td>Clint Landrock(3) Executive Vice President, Products British Columbia, Canada</td>
<td>Since March 23, 2011</td>
<td>635,141(5)</td>
</tr>
<tr>
<td>Nominee Position with the Company and Province and Country of Residence</td>
<td>Period as a Director or Officer of the Company</td>
<td>Common Shares Beneficially Owned or Controlled(^3)</td>
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<tr>
<td>Frenny Bawa, Chief Commercial Officer British Columbia, Canada</td>
<td>Since May, 2013</td>
<td>0</td>
</tr>
<tr>
<td>Brian Causey Secretary, Chief Financial Officer and Director British Columbia, Canada</td>
<td>Since October 27, 2009</td>
<td>125,000</td>
</tr>
<tr>
<td>Kenneth R. Tolmie(^1)((^2)) Director British Columbia, Canada</td>
<td>Since April 15, 1987</td>
<td>529,857</td>
</tr>
<tr>
<td>Bernhard J. Zinkhofer(^1)((^2)((^4)) Director British Columbia, Canada</td>
<td>From April 15, 1993 to July 23, 2004 and since February 15, 2007</td>
<td>761,771(^6)</td>
</tr>
</tbody>
</table>

Notes: The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Mr. Blakeway owns 546,593 of his shares though his 28.6% share in the shares of IDME Technologies Corp. Dr. Kaminiska owns 635,141 shares indirectly through her 33.2% interest in IDME Technologies Corp., the licensor to the Company of its nanotechnology. Mr. Landrock owns 635,141 shares indirectly through his 33.2% interest in IDME Technologies Corp., the licensor to the Company of its nanotechnology
(4) Mr Zinkhofer holds certain of these securities through his 100% owned company, Bernhard Zinkhofer Law Corp.

**Director and Officer Information**

**Douglas H. Blakeway –Chief Executive Officer and Director**

Mr. Blakeway is the Company’s President and Chief Executive Officer. He has over 40 years of experience in executive management in technology business development. He founded the Company in 1984. He is also a director of IDME Technologies Corp. and IDIT Technologies Corp., which licensed the nano-technology developed at Simon Fraser University to the Company. From September 2006 until June 2012 he was a consultant providing product manufacturing management services to G4S Justice Services (Canada) Inc. which purchased the Company’s previous business in 2006.

Mr. Blakeway is a member of Simon Fraser University Surrey – Business Advisory Council and Entrepreneur in Residence SFU Venture Connection, Wavefront Wireless Commercialization Centre Society, Canadian Listed Company Association, Wireless Industry Partnership Connector Inc., TEC (The Executive Committee), an international organization for CEOs and CMC Microsystems Inc. a government body operating through the National Science and Engineering Research Council of Canada (NSERC). Since 1982, he has been a director of a number of public companies listed on the TSX Venture Exchange.
Dr. Bozena Kaminska – Director and Chief Scientific Officer

Bozena Kaminska, Ph.D. is presently a professor at Simon Fraser University’s School of Engineering Science and the Canada Research Chair in wireless sensor networks. She is Chairman of the Board of Directors for CMC Microsystems. In February 2013, she was appointed to the Council of the Natural Sciences and Engineering Research Council of Canada (NSERC). Dr. Kaminska is a prolific inventor with major contributions to science. She holds multiple patents and has authored more than 250 peer-reviewed publications in top scientific journals. She was named Innovator of the Year in 1997 by EDN magazine and was the recipient of the British Columbia Innovation Council’s Entrepreneurship Fellow Award in 2010.

Clint Landrock, BEng, MASc, Executive VP of Products

Mr. Landrock serves as the Executive Vice President of Products for the Company, and is one of the co-inventors of the Company’s nano-optic technology. He is a leading scientist in the study of nano-technologies and currently holds a number of patents and over a dozen publications in this area. Mr. Landrock completed his bachelor degree in aerospace engineering at Ryerson University in Toronto. Mr. Landrock completed his Masters of Applied Sciences at Simon Fraser University where his research centered on nano-optics and its applications.

Frenny Bawa, Chief Commercial Officer

Frenny Bawa joined the Company in 2013 as its Chief Commercial Officer. She brings more than 25 years of experience to the company, most recently serving as vice president and managing director for India for BlackBerry (formerly Research In Motion). In addition to overseeing BlackBerry’s operations in India, Ms. Bawa was responsible for expanding BlackBerry’s global distribution channels and thereby grew the company’s global footprint. In 2011, she was recognized by Forbes as one of India’s top 10 most powerful women in business. Ms. Bawa also serves as a member of the Dean’s External Advisory Board of the Beedie School of Business, SFU’s Foundation Board, and the Governing Board for the Canada-India Business Council for BC. Ms. Bawa earned a bachelor’s degree from Simon Fraser University and an MBA from McGill University.

Brian Causey, B.Com, CA –Chief Financial Officer, Secretary and Director

Mr. Causey has been a Director, Chief Financial Officer and Secretary of the Company since October 2009. He has been a Chartered Accountant since 1971 and was formerly a Partner in KPMG, LLP. He is CFO of Curis Resources Ltd., a public company, since March, 2012; and has been Vice President, Project Finance for Hunter Dickinson Inc., (resource development) since 2001. He is principally involved with financings, corporate reorganizations and specialized tax planning initiatives.

He is a director of Cascadero Copper Corporation since January 2012 and was formerly a director of Quartz Mountain Resources Ltd. from 2003 to 2011, and was a director and Chief Financial Officer of Yaletown Capital Corp. from 2007 to 2010.
Kenneth R. Tolmie – Director

Mr. Tolmie is the Chief Financial Officer, principal shareholder and a director of APRIO Inc., a privately held governance information software company. He is presently a director and officer of a number of private companies and he has, in the past, held various senior executive and financial positions with Hastings West Investment Ltd., The Beacon Group of Companies, Premier Diagnostic Health Services Inc., a CNSX listed issuer and other junior companies in the technology, film and other industries.

Bernhard J. Zinkhofer - Director

Mr. Zinkhofer is a practicing corporate lawyer and partner in the Vancouver office of McMillan LLP, Barristers & Solicitors since 1991. He practises in the areas of corporate securities and related commercial matters including natural resource and technology transfer. Mr. Zinkhofer obtained a Bachelor of Commerce from the University of Calgary in 1977, became a Member of the Canadian Institute of Chartered Accountants in 1980 after articling with a predecessor of KPMG Peat Marwick Thorne and obtained a LLB from the University of Victoria in 1983. He has served as a director of Nanotech and its predecessors for most of the preceding 12 years.

Cease Trade Orders and Bankruptcies

Mr. Zinkhofer, served as a director of Austral-Pacific Energy Ltd., an oil and gas company which went into receivership and ceased operations in 2009 on account of loans and oil hedging agreements entered into prior to the time when Mr. Zinkhofer was a director. Two companies in which Mr Zinkhofer served as a non-insider corporate secretary as part of his legal services also ceased operations due to insolvency, Inviro Medical Inc. (2010) and Great Basin Gold Limited (2012).

Except as set out above and within the last 10 years, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Annual Information Form r is prepared) acted in that capacity for a company that was:

(a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;

(b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with
creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

(d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Item 9  Conflicts of Interest

Mr. Blakeway, Mr. Landrock and Dr. Kaminska may be considered to have potential conflicts of interest in that they are all insiders of the Company as well as principal shareholders of IDME/IDIT. IDME/IDIT is the licensor to the Company of its nanotechnology hence should circumstances arise where a breach or default by the Company under the Licence agreement has occurred or is alleged, Mr. Blakeway and Dr. Kaminska who are both directors, would have conflict in determining whether and how the License might be enforced against the Company or any other remedy which might be sought against the Company. The Board believes the risk of adverse consequences from this potential conflict of interest as directors is mitigated by the fact both Mr. Blakeway and Dr. Kaminska have significant holdings of shares in the Company. This fact helps align their interests with those of other Nanotech shareholders. Any decision about responding to a breach of the License would be dealt with by members of the Company’s Board of directors which no financial interest in IDME/IDIT.

IDME also conducts research activities related to the Company’s nanotechnology through SFU under an arrangement with the Company by which the Company funds such research (see “Material Contracts”). A potential conflict of interest exists should the Company become concerned about the quality, security, or cost of the research which is being conducted by IDME on the Company’s behalf. Investors in the Company’s shares need to be prepared to accept the potential for such potential conflicts of interest and trust that they will be resolved without undue adverse consequences to the Company.

Item 10  Legal and Regulatory Matters

The Company is not currently subject to any legal proceedings or regulatory actions nor are any threatened or believed to be pending.

Item 11  Interest of Management and Others in Material Transactions

As described elsewhere herein Mr. Blakeway, Dr. Kaminska and Mr. Landrock have a financial interest in the shares of IDME and IDIT and hence have a financial interest in the Company’s Licence and in the contract research which is carried by IDME and IDIT. Other interests of management in material transactions in the past three fiscal years have included:

(a) in fiscal 2009 Mr. Blakeway acquired 1,021,000 equity units in the Company (each unit consisting of one share and one-half share purchase warrant) at a price of
$0.075 per unit and $0.10 per share purchase warrant. Mr Zinkhofer purchased 173,333 of these units;

(b) the Company entered into the Licence agreement with IDME/IDIT affiliated companies which are owned by Mr. Blakeway, Dr. Kaminska and Mr. Landrock, all of whom are insiders of the Company (see Material Agreements);

(c) Mr. Blakeway and his spouse have provided executive and administration services to the Company over the previous three fiscal years for aggregate amounts of 2012 ($76,260); 2011 ($60,000); 2010 ($60,000);

(d) Mr. Zinkhofer, one of the directors, is a partner of McMillan LLP which serves as legal counsel to the Company. Aggregate fees charged by McMillan to the Company over the previous years were: 2012 ($50,110); 2011 ($36,020); and 2010 ($28,512).

**Item 12  Transfer Agent and Registrar**

The Company’s registrar and transfer agent is Computershare at its principal office 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

**Item 13  Material Contracts**

a) The Company has only one material contract, namely its intellectual property Licence from IDME dated for reference November 9, 2009 and filed at www.SEDAR.com on February 4, 2011. Under the terms of the Licence, the Company paid to IDME an advance royalty fee of $300,000 (one-half of which is creditable against percentage sales royalties) and is obligated to pay further semi-annual advance royalty payments of $75,000. These commenced June 15, 2010 and will end on June 15, 2014 for an aggregate of $675,000 (one-half of which is creditable against running royalties). In addition the Company is obligated to pay a running royalty of 9% from the gross sales of any products which incorporate the licensed nanotechnology. Of the 9% paid, 3% is paid by IDME/IDIT to Simon Fraser University.

Pursuant to an addendum to this agreement dated April 1, 2013 IDME/IDIT will continue to provide contract research and development assistance to the Company. The costs of such assistance will not exceed the fair value of such services. Currently, IDME/IDIT carry out the contract research through Simon Fraser University at an approximate rate of $40,000 per month. The research arrangement addendum can be cancelled at any time by either party on 30 days notice.

b) The Company has a 36 month lease on its Burnaby premises with an aggregate cost of approximately $5,000 per month. This agreement is not filed under SEDAR as it is a conventional commercial property lease and considered as part of an ordinary course of business.
Item 14 Additional Information

This annual information form is qualified by the additional information which is available about the company and its public record located at www.SEDAR.com. This public record includes annual audited financial statements as well as quarterly unaudited financial information in each case together with management’s discussion and analysis for that most recently completed fiscal quarter.