



News Release

TSXV, Tier 1: "NTS"

OTCQX: "NTSFF"

NANOTECH SECURITY CORP. EXPANDS KEY SUPPLY CHAIN COLLABORATION

Nanotech and Hueck Folien GmbH sign definitive supply and collaboration agreement; the companies also agree to cross-market security products

VANCOUVER, British Columbia – September 15, 2016 – Nanotech Security Corp. (TSXV: NTS) (OTCQX: NTSFF), today announced it has signed a definitive supply and collaboration agreement with Austrian manufacturer Hueck Folien GmbH. The security features collaboration agreement licenses Hueck Folien to manufacture one-meter-wide colour shifting optical thin film exclusively for Nanotech. Nanotech will supply this optical thin film (OTF) to its banknote customers, primarily in Asia. Nanotech and Hueck Folien also agreed to offer for sale to their customers, security products currently manufactured by the other company.

Nanotech and Hueck Folien technical teams have collaborated over the last year to support Hueck Folien's seven figure investment to upgrade certain of its web coater equipment to enable it to produce Nanotech's technically sophisticated colour shifting OTF security threads. OTF threads are inserted in banknotes to help prevent counterfeiting. Nanotech continues to work with its Asian customer and Hueck Folien to finalize production integration as part of anticipated supply ramp-up over the succeeding months.

Nanotech Chief Executive Officer Doug Blakeway commented, "The negotiations with Hueck Folien during the last year have deepened our relationship. We are pleased to have signed the collaboration agreement. Our high volume OTF production needs are now on a firm footing and we look forward to having the flexibility to produce OTF products in both our Thurso, Quebec facility and in Hueck Folien's Baumgartenberg, Austria plant."

Dr. Martin Bergsmann, Hueck Folien Chief Executive Officer stated, "Optical thin film is considered to be among the most innovative and disruptive technologies within the security sector. Combined with our expertise in printed colour shifts, our collaboration with Nanotech gives us the opportunity to offer a whole range of colour shifting technologies for the next generation of security features."

About Hueck Folien

Founded in 1970, Hueck Folien GmbH is an independent family-owned company and a worldwide recognized technology leader in the field of high-security features for banknotes and documents as well as first class coatings for optically demanding, functional films. Important brand names of Hueck Folien in



