

FORM 7  
MONTHLY PROGRESS REPORT FOR  
FEBRUARY 2021

Name of Listed Issuer: Gallagher Security Corp. (the "Issuer").

Trading Symbol: GLL

Number of Outstanding Listed Securities: 17,251,315

Date: March 2, 2021

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**The Company entered into a letter of intent with MyCelium Warehouse Ltd. regarding a proposed transaction to acquire up to all of the issued and outstanding securities of MyCelium.**

The Company announced a non-brokered private placement of up to 8,000,000 units at a price of \$0.125 per Unit for gross proceeds of up to \$1,000,000. Each Unit will be comprised of one common share and one half share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of \$0.20 per share for a period of 24 months from the date of closing. Net proceeds will be used for future exploration work on the Company's projects, due diligence on MyCelium, advancing funds or investing in the joint-venture with MyCelium, corporate development, and general corporate and working capital purposes.

2. Provide a general overview and discussion of the activities of management.  
**The Company is currently seeking new business opportunities.**
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
**Not applicable.**
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
**Not applicable.**
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
**The Company entered into a letter of intent with MyCelium Warehouse Ltd. regarding a proposed transaction to acquire up to all of the issued and outstanding securities of MyCelium.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
**Not applicable.**
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
**Not applicable.**
8. Describe the acquisition of new customers or loss of customers.  
**Not applicable.**
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.  
**Not applicable.**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**Not applicable.**
11. Report on any labour disputes and resolutions of those disputes if applicable.  
**Not applicable.**
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
**Not applicable.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**Not applicable.**
14. Provide details of any securities issued and options or warrants granted.  
**Not applicable.**
15. Provide details of any loans to or by Related Persons.  
**Not applicable.**

16. Provide details of any changes in directors, officers or committee members.  
**Not applicable.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Financial Statements under the headings "Financial Instruments", "Risks" and "Risks and Uncertainties". The MD&A is available on the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the Issuer's disclosure hall with the CSE at [www.thecse.com](http://www.thecse.com).**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated  
March 2, 2021

Ryan Cheung, CPA, CA

Name of Director or Senior  
Officer

/s/ Ryan Cheung  
Signature  
CFO  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer: Gallagher Security Corp.	For Month Ended February 2021	Date of Report YY/MM/D 21/03/02
Issuer Address 700 - 1620 Dickson Ave.		
City/Province/Postal Code Kelowna, B.C. V1Y 9Y2	Issuer Fax No. (250) 868-8493	Issuer Telephone No. (778) 484-8028
Contact Name Ryan Cheung	Contact Position CFO	Contact Telephone No. (778) 484-8028
Contact Email Address <a href="mailto:rcheung@mcpa.ca">rcheung@mcpa.ca</a>	Web Site Address	