

For Immediate Release



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**VIRTUALARMOR REDUCES OUTSTANDING SHARES &
CANCELS PRIVATE PLACEMENT**
-Company completes three-part plan to reduce dilution of Share value-

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Vancouver, B.C. – (March 16, 2016) VirtualArmor International Inc. (“**VirtualArmor**” or the “**Company**”) (CSE: VAI) is pleased to announce completion of all three stages of its three-plan initiative that reduced dilution and increased shareholder value effective as of March 15, 2016.

Firstly, the Company cancelled 2,998,392 of its issued and outstanding common shares (“**Shares**” and each, a “**Share**”) as of March 15, 2016, which were being held in escrow, following the resolution of a share pledge agreement, reducing the Company’s issued and outstanding Shares by approximately 6%.

Secondly, VirtualArmor’s management has decided that it will not be proceeding with the private placement offering of up to 3,333,333 Shares at a price of CAD\$0.15 per Share, which was previously announced January 5, 2016, due to a favourable exercise of 600,000 warrants (the “**Warrants**”) on March 14, 2016, providing the Company with additional working capital to fuel its growth plans. Each Warrant entitled the holder to acquire one Share at a price of CAD\$0.10 per Share. Management’s decision not to proceed with the previously announced private placement was made with the expectation that the exercise of warrants would result in less dilution to the Company’s shareholders.

Finally, a number of existing shareholders agreed to a voluntary escrow of 3,000,000 Shares on March 15, 2016, to be released in five equal blocks on a quarterly basis over the next 18 months, reducing the number of free-trading Shares by 19% to approximately 12.8 million free-trading Shares.

All three initiatives were completed as of March 15, 2016 and amount to a total reduction of the issued and outstanding Shares by approximately 6% and a reduction of freely trading Shares by approximately 19%. The total number of issued and outstanding Shares stands at 49,301,608.

“Given the continued growth of VirtualArmor’s core business and rapidly increasing demand for our managed security intelligence solutions, these initiatives could not have come at a better time,” said Todd Kannegieter, President and CEO of VirtualArmor. Todd also commented, “We will continue to provide corporate updates to our shareholders on our managed services and product demand and overall business operations.”

About VirtualArmor

VirtualArmor is a cyber security company that delivers solutions to help enterprises build, monitor, maintain and secure their networks from cloud to core. As a managed security services provider, VirtualArmor's services run 24 hours per day, 7 days per week, 365 days per year through its primary security operations center ("SOC") located in Middlesbrough, U.K. and a secondary SOC located in Salt Lake City, Utah. Each member of VirtualArmor's team supports the three main facets of its business: managed services, professional services, and hardware sales, by handling the design, configuration and installation of advanced network and cloud architecture solutions. VirtualArmor uses best-in-breed partnerships to provide solutions for customers that are affordable, highly reliable, scalable, and backed by thorough knowledge of the related technologies, products, and platforms. VirtualArmor has secured partnerships with established technology businesses specializing in network appliances, software, and systems and provides its services to the mid- to large- enterprise and service provider markets. VirtualArmor customers include a 13-location data center provider, a Fortune 100 oil and gas company, multiple service providers with presences throughout the United States, and household name enterprise organizations located primarily in the western United States. Further information about the Company is available under its profile on the SEDAR website, www.sedar.com, on the CSE website, www.thecse.com, and on its website, <http://www.virtualarmor.com/>.

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Forward-Looking Information:

This press release may include forward-looking information within the meaning of Canadian securities legislation. The forward-looking information is based on certain key expectations and assumptions made by the management of VirtualArmor. Although VirtualArmor believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information as VirtualArmor cannot provide any assurance that it will prove to be correct. These forward-looking statements are made as of the date of this press release and VirtualArmor disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.