

Department 13 Completes Successful Operational Tests and Sales Demonstrations in Australia of MESMER™ Version 1.0 Counter-Drone Solution

Highlights:

- **Two weeks of successful operational tests in Gold Coast, Brisbane, Sydney and Canberra to government, military and law enforcement agencies**
- **Additional Demonstrations in New Zealand with government, military and law enforcement agencies during March 2017**

PERTH, WA and COLUMBIA, MD USA – 13 March, 2017 – Department 13 (ASX: D13 or “the Company”) conducted a series of sales demonstrations and operational tests in Australia of its recently launched flagship counter-drone product, MESMER™ Version 1.0 (“MESMER”). MESMER is a unique patented, low power, non-jamming, non-line of sight, non-kinetic drone mitigation solution, enabling an effective and safe method of protecting personnel and infrastructure from dangerous drones.

Jonathan Hunter, CEO of Department 13, said, “Mesmer performed at the highest levels during the sales demonstrations and operational tests to a wide variety of potential customers. D13 working with our Australian Distributor, EPE, demonstrated a capability of a flexible, adaptive counter drone solution that will continue to grow to meet the drone threats of today and those of tomorrow.” He continued to say, “With increased worldwide drone activity that presents evolving security challenges, there is a growing interest in our platform. We look forward to fielding MESMER’s capabilities to organizations entrusted with protecting their constituents from potentially dangerous situations.”

The Company expects to provide updates on sales of MESMER in Australia upon finalization of purchase orders through EPE following on from these demonstrations. In addition, the Company expects to provide news on initial sales in the US shortly thereafter.

MESMER™ Counter Drone Solution The emergence of small, lightweight, low cost Unmanned Aerial Systems (UAS) offers many applications and benefits. However, UAS technologies are able to be employed to remotely deploy threats. The demonstrated use of UAS by conventional, non-state and irregular forces has added another dimension of threat.

MESMER™ Counter Drone Solution, provides automated detection and mitigation strategies, allowing you (either autonomously or with a person in the loop) to stop, redirect, land, or take total control of a target drone. This is done with protocol manipulation, which takes advantage of weaknesses found in all digital radio protocols.

Unlike other counter drone systems that use radio jamming and standard electronic mitigation techniques, MESMER™ uses signal features and metadata to select and apply strategies in order to curtail drone threats, regardless of how drone vendors may try and prevent this from happening. This protocol manipulation is low power so it doesn’t affect non-targeted communication signals, which is a

plus. This also allows MESMER™ to operate below 1 watt and within Australian ACMA and NZ RSM regulatory constraint

About Department 13

Department 13 (D13) was founded in Virginia in 2010 by a team of former military operators, scientists and engineers who apply proprietary innovative advanced technology to emerging requirements. D13 is developing cutting-edge software and communication systems that have the potential to transform the networking and communication fields as well as current applications in drone defense, mobile phone IT security and secure enhanced Android phone systems. D13 is engaged with multiple counter UAS projects to provide strategic solutions for civil, military and commercial security requirements. D13 has 13 patents and 22 patent applications in the development of wireless protocol manipulation and communication networking software with applications in drone defense, local area and wide area cellular communications and networking, enhanced data bandwidth for all digital communications, cyber security for mobile devices and sophisticated RF technology applications (radiometrics).

For more information about D13, please visit www.department13.com or follow us on Twitter (@D13ASX), LinkedIn and YouTube.

Forward Looking Statements

This press release may contain certain forward-looking statements which have not been based solely on historical facts but, rather, on Department 13's current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of Department 13 and its directors, officers and advisors. This press release should be read in conjunction with Department 13's other periodic and continuous disclosure announcements including Department 13's Preliminary Final Report announcement lodged with the Australian Securities Exchange ("ASX") on 31 August 2016, Department 13's Annual Report lodged with ASX on 30 September 2016 and other announcements lodged by Department 13 with ASX. Department 13 undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such statements or to keep current any of the information provided. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Department 13 and there is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Department 13 has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this press release. This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Department 13's securities have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

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