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KWESST Micro Systems extends option to acquire a proprietary non-lethal munitions technology system known as the Low Energy Cartridge

KWESST Micro Systems Inc. (CVE:KWE) said it has extended its option to acquire a proprietary non-lethal munitions technology system referred to as the Low Energy Cartridge (LEC) until December 15, 2020.

The owner of the LEC technology is DEFSEC Corporation, an Ottawa-based based private company owned by David Luxton, KWESST executive chairman. KWESST entered into a letter of intent with DEFSEC on June 6, 2020, to acquire the LEC technology, and is currently conducting due diligence on the technology and its market potential.

READ: KWESST Micro Systems says its affiliation with SAMSUNG Electronics America elevated to "USA Partner" status

The LEC is a proprietary non-lethal cartridge-based ordnance system with wide application in the rapidly growing market of soldier and law enforcement training, maintenance of public order, and personal defence.

"The market has long required a safer, lower-cost reliable alternative to existing solutions," said Jeff MacLeod, KWESST founder and CEO in a statement.

"We see the LEC as a strong fit with KWESST's other smart ordnance technologies, like our Shot Counter system. Together, the LEC and Shot Counter have the potential to anchor the build-out of a significant business unit specialized in smart ordnance systems, with a vast global market."

The contemplated transaction would benefit from the deep combined experience of MacLeod and Luxton in the specialty ordnance business. MacLeod is a highly knowledgeable defence industry executive with over 20 years' experience in the field of small arms and advanced soldier systems. Prior to establishing KWESST, he was the General Manager of Colt Canada, the primary supplier of small arms to the Canadian military.

Luxton was the founder in 1990 of Simunition Inc., a business that develops and sells simulated munitions for realistic close-quarters combat training for military and law enforcement around the world. He sold the business to a large military contractor and from 2015-2018 was the executive chairman of United Tactical Systems LLC, a US company that develops and sells products for the global less-lethal market.

The acquisition of the LEC technology by KWESST remains subject to the approval of the TSX Venture Exchange.

KWESST develops and commercializes high-value ultra-miniaturized technology applications that make a critical difference to the safety and operational effectiveness of personnel in the defence and security industries.

The company's current portfolio of unique proprietary offerings include: its signature TASCSTM (Tactical and Situational Control System) for real-time awareness and targeting information from any source (including drones) streamed directly

Price: 1.38

Market Cap: \$57.11 m

1 Year Share Price Graph



February 2020 November 2020 January 2021

Share Information

Code: KWE

Listing: TSX-V

52 week	High	Low
	1.84	0.65

Sector: Tech

Website: kwesst.com

Company Synopsis:

KWESST is a proud leader in advancing the modern networked capability of soldiers and responders, including the networked Soldier Systems mission of NATO and its allies, with niche applications that make a critical difference to safety and effectiveness.

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to users' smart devices and weapons; the autonomous GreyGhost soldier-portable micro drone missile system that defends against small hostile drones, including swarms using high-speed kinetic impact; a Ground Laser Defence system to counter the emerging threat of weaponized lasers against personnel; and, the Phantom electronic battlefield decoy system to mask the electromagnetic signature of friendly forces with decoy signatures at false locations to deceive and confuse adversaries.

KWESST also has developmental "smart ordnance" projects including its "Shot Counter" system, which records the number and type of rounds fired, for optimized firearms maintenance and performance. The company is headquartered in Ottawa, Canada, with representative offices in Washington, DC, London, UK and Abu Dhabi, UAE.

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