



## DRAGANFLY INC. ANNOUNCES NOVEMBER 5, 2019 LISTING DATE ON THE CANADIAN SECURITIES EXCHANGE, FILING OF ITS FINAL PROSPECTUS, AND COMPLETION OF CDN\$7,000,000 PRIVATE PLACEMENT

**Vancouver, British Columbia** – November 1, 2019, Draganfly Inc. (“**Draganfly**” or the “**Company**”) is pleased to announce that it has obtained conditional approval from the Canadian Securities Exchange (the “**CSE**”) for the listing (the “**Listing**”) of its common shares under the ticker symbol “DFLY”. The common shares of Draganfly will commence trading on the CSE on November 5, 2019, assuming all conditions of Listing are satisfied by that date. The Company has also filed its long form non-offering final prospectus (the “**Prospectus**”) with the securities regulatory authorities on [www.sedar.com](http://www.sedar.com) in each of Saskatchewan and British Columbia to become a reporting issuer in those jurisdictions.

Draganfly is the resulting issuer from a recapitalization transaction (the “**Transaction**”) between Draganfly Innovations Inc. (“**Former Draganfly**”) and Drone Acquisition Corp., a special purpose entity formed to achieve the said objective. As part of the Transaction, the Company completed a private placement financing (the “**Private Placement Financing**”) for aggregate gross proceeds of CDN\$7,025,749.50.

Cameron Chell, Chairman and CEO stated “We are honoured and excited to have been granted conditional listing status and look forward to the commencement of trading on Tuesday November 5th. Draganfly is the world’s oldest operating drone company and one of the early developers of the quadcopter. Draganfly today remains a leading drone solutions innovator and with the definitive government and industry shift to utilize North American unmanned vehicle systems and software, Draganfly is in the right place at the right time to establish itself as the cornerstone North American industry player.”

### Transaction Highlights

- **Financial Strength** – With the completion of a \$7 million equity raise, the company is in a strong working capital position to execute its business plan and is well positioned to pursue further opportunities in the drone sector;
- **Market Leadership** – With more than 9,000 drones sold, Draganfly is an established player in the commercial drone industry;
- **Secure Jurisdiction** – The Company’s products are 100% manufactured in North America;
- **Technology Leadership** – With 18 patents in its portfolio and 6 more pending in the application stage, the Company has one of the most significant portfolios of intellectual property in the sector and will continue to expand its intellectual property docket; and
- **Established Revenue Base** – With a long-term engineering and services contract in place, the Company has a strong base of recurring revenue to support its ongoing operations.

### Transaction and Private Placement Financing Summary

Pursuant to the terms of the Private Placement Financing, the Company issued 14,051,499 subscription receipts (the “**Subscription Receipts**”) at a price of CDN\$0.50 per Subscription Receipt raising aggregate gross proceeds of CDN\$7,025,749.50. With the filing of the Final Prospectus, the Subscription Receipts have converted automatically, on a one-for-one basis, into 14,051,499 units (the “**Units**”) of the Company. Each Unit consists of one Common Share and one transferable

Common Share purchase warrant (“**Unit Warrant**”). Each Unit Warrant will entitle the holder to purchase one Common Share at a price of \$0.50 for a period of 12 months following the issuance of Unit Warrants. With the satisfaction of the escrow release conditions, \$7,025,749.50 funds were released from escrow to the Company. With the closing of the Private Placement Financing there are now a total of 69,670,613 shares of Draganfly issued and outstanding, whereby the shareholders of Former Draganfly were issued 42,955,296 shares of the Company.

On Listing all shareholders and insiders of the company (other than investors pursuant to the Private Placement Financing) will be subject to trading restrictions such that their common shares in the Company are released 5% on the listing date on the CSE and then 15% every 6 months with the final release being 20%. No finders’ fees were paid to any dealer in connection with the financing.

## **Business of Draganfly**

Draganfly Inc. is the creator of quality, cutting-edge, unmanned vehicle systems and software that revolutionize the way people do business. Recognized as being at the forefront of technology for over 21 years, Draganfly is an award-winning, industry-leading manufacturer within the commercial Unmanned Aerial Vehicle (“**UAV**”) space, serving the public safety, agriculture, industrial inspections and mapping and surveying markets. Draganfly is a company driven by passion, ingenuity and the need to provide efficient solutions and first-class services to its customers around the world with the goal of saving time, money and lives.

Founded in 1998, Draganfly is recognized as one of the first commercial multi-rotor manufacturer and has a legacy for its innovation and superior customer service. Draganfly has sold products and services to over 50 countries. To date, Draganfly, has sold over 9,000 of its drones for multitudes of applications around the world. Zenon Dragan is the founder of Draganfly, and is a recognized leading expert on UAVs. Draganfly is positioning itself as an integrated solutions provider to the UAV industry.

Draganfly introduced its first systems in 1999 and has since evolved and shaped the UAV industry. The company’s aircraft are widely used by public safety agencies worldwide and were one of the first UAV to receive a Federal Aviation Administration (“**FAA**”) Certificate of Approval the fall of 2009 with the Mesa County Colorado Sheriff’s Office. In 2012, the Royal Canadian Mounted Police (“**RCMP**”) flew one of the company’s drones to locate and save the life of an accident victim. The RCMP system is on permanent display at the Smithsonian National Air and Space Museum. Draganfly aircraft have achieved many industry firsts, including:

- first public safety UAV to shoot aerial photos documenting a manned aircraft accident in an urban area;
- first UAV operated by a public safety organization flown at night to locate and save a life;
- first UAV helicopter to be granted a county wide U.S. FAA COA; and
- recently named as a test platform at one of the U.S. FAA’s certified test sites.

The Company can provide its customers with an entire suite of products and services that include quad-copters, fixed wing aircraft, ground based robots, hand held controllers, flight training, and software used for tracking, live streaming, and data collection. The Company’s products are manufactured at its facility in Saskatoon, Saskatchewan. Raw materials for the Company’s products consist of a combination of its original equipment manufacturer parts and United States compliant third-party components. Enterprises looking to use drones for advanced and secure applications will generally turn to high end UAV manufacturers with longer flight times, better sensor capabilities and analytic functionalities. The company is ideally positioned to meet these criteria.

The global market for commercial applications of drone technology is currently estimated at approximately \$2 billion and has been forecasted to grow to as much as \$127 billion by 2020 (according to a report by PricewaterhouseCoopers LLP).

For additional information, please see the Prospectus as filed on [www.sedar.com](http://www.sedar.com).

## **Officers and Directors**

Management and advisors of the Company include Cameron Chell as Chairman and CEO, Paul Sun as CFO of the Company, and co-founder Zenon Dragan.

- Mr. Chell is the Co-Founder of Business Instincts Group, Inc. A venture creation, business development and product development accelerator. Mr. Chell has been a technology entrepreneur for over 30 years and has spent his career growing a diverse collection of high-potential ideas into revolutionary companies that have changed the way we experience the world. Mr. Chell takes a very hands-on leadership role in projects, infusing innovation and adoption with operational principles of clarity, alignment and measurement into the culture of every company he works with.
- Mr. Sun has over 20 years of business experience and has held numerous senior roles at investment banks including Scotia Capital, Desjardins, and Beacon Securities. Mr. Sun has provided financial solutions to small start-ups to billion dollar market-cap companies and has been involved in many transactions across the entire capital structure. He has also held project and operations management positions at a number of private and publicly traded companies. He was awarded his Bachelor of Applied Science and Engineering from The University of Toronto and his Master of Business Administration from the Schulich School of Business.
- Zenon Dragan, born and raised in Saskatoon, is the founder and co-owner of Draganfly. He's had a lifelong passion for flying machines and possesses the entrepreneurial spirit. He co-founded and sold a successful toy business prior to launching Draganfly in 1998 with his wife Christine. Innovation has always been the driving force behind the business and Zenon and his team are interested in creating things that haven't been done before. The development of the Draganflyer quad-copter was a game-changer and sparked the imagination of thousands. The Draganflyer multi-rotor helicopters have become the most widely-known systems in the industry today. What sets Zenon and Draganfly apart from the competition is that they're always listening to the customer and adapting the products to meet the needs of the industry. The company has won several major awards, including the SABEX, ABEX, and Popular Science's 'Best of What's New' award, and they've been featured in hundreds of magazine and news articles. The Draganflyer X4-ES made its mark on the world in May 2013 when it was used by the Saskatoon RCMP to locate a missing driver after a single vehicle roll-over accident and was credited as the first ever small Unmanned Aerial System to save a person's life. The historic flight made it a natural fit for the X4-ES to be added to the collection at the Smithsonian National Air & Space Museum, where it joins 330 other aircraft, including the Enola Gay and one of the first airplanes ever built. With firm roots in the public safety sector, Draganfly is expanding into precision agriculture, which many are saying is the fastest-growing drone market and will become the largest use case for unmanned systems.

The Board of Directors of the Company consists of Cameron Chell as Chairman and Scott Larson, Denis Silva and Olen Aasen.

- Mr. Larson brings over 20 years of combined corporate finance, technology development and entrepreneurial experience to the Board. Currently CEO of Kater, a Vancouver-based mobility as a service (MaaS) company building out an integrated intermodal transportation platform

incorporating public transportation, buses, taxis and ride hailing vehicles into a single service. Previously, Mr. Larson has been CEO and co-founder of Helios Wire, a satellite company building out a space-enabled IoT/M2M network, and was CEO/Co-Founder of UrtheCast. Mr. Larson helped scale the company from its inception, taking it public on the Toronto Stock Exchange, raising \$200 million, and leading the company to 250 employees over five years with seven offices around the world.

- Mr. Silva is a corporate and securities partner at law firm Gowling WLG (Canada) LLP in Vancouver. Mr. Silva has 12 years of experience in corporate, securities, mining and regulatory legal experience and has acted for a wide variety of companies listed on Canadian and US exchanges, with a focus on technology and mining. Denis holds a BA from University of British Columbia, MPA from Queen's University and LLB from University of Windsor.
- Mr. Aasen is a corporate and securities lawyer with more than 13 years of experience in corporate, securities and regulatory matters. He has been the Corporate Secretary, General Counsel or Vice President, Legal at various Canadian and U.S.- listed companies. Mr. Aasen obtained a J.D. from the University of British Columbia in 2006 and was called to the British Columbia Bar in 2007. Mr. Aasen was also appointed to the 2016 Legal 500 GC Powerlist for Canada.

### **Surfacing Value in Draganfly**

As part of the Transaction and in an effort to surface long existing brand value of Draganfly, the Company has contracted with IDR Marketing, Inc. ("**IDR**") to provide public relations strategies, brand awareness, and digital marketing services to the Company. IDR is a leading marketing firm and advertising agency based in Long Beach, California that specializes in the marketing of small and microcap companies.

Draganfly has also contracted with Star Finance GmbH ("**Star**") to provide investor relations services to the Company. Star is an independent investor relations and marketing agency based in Switzerland which specializes in presenting investment opportunities to the German speaking investment community in Europe.

### **Advisors on the Transaction**

Gowling WLG (Canada) LLP and Borden Ladner Gervais LLP have acted as legal advisors to the transaction. The audit was performed by DMCL Chartered Professional Accountants.

### **For further information please contact:**

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### **Forward-Looking Statements**

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information include, but are not limited to, statements with respect to receipt of final approval from the Canadian Securities Exchange and the expected timing of commencement of trading. Forward-looking statements and information

are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out here in, including but not limited to: the risk that the listing will not be approved by the Canadian Securities Exchange; the inherent risks involved in the general securities markets; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, currency fluctuations; regulatory restrictions, liability, competition, loss of key employees and other related risks and uncertainties. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents managements' best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

*The CSE has not in any way passed upon the merits of the listing of the common shares of Draganfly and has neither approved nor disapproved the contents of this news release. Listing of the common shares of Draganfly is subject to satisfaction of the listing requirements of the CSE, including customary deliverables in satisfaction of the conditional approval.*