



DRAGANFLY ANNOUNCES LETTER OF INTENT WITH GLOBAL UAV TECHNOLOGIES TO ACQUIRE PIONEER AERIAL SURVEYS AND HIGH EYE AERIAL IMAGING

Vancouver, British Columbia – May 19, 2020, (**GLOBE NEWSWIRE**) – Draganfly Inc. (CSE: DFLY) (OTCQB: DFLYF) (FSE: 3U8) ("**Draganfly**" or the "**Company**"), an award-winning, industry-leading systems developer within the commercial Unmanned Aerial Vehicle ("**UAV**") and the Unmanned Vehicle Systems ("**UVS**") industry, is pleased to announce that it has entered into a letter of intent (the "**LOI**") with Global UAV Technologies Inc. ("**Global UAV**") to acquire (the "**Proposed Transaction**") two-wholly owned subsidiaries, being Pioneer Aerial Surveys Ltd. and High Eye Aerial Imaging Inc. (the "**Global UAV Subsidiaries**"). The Proposed Transaction, if completed, will constitute a fundamental change of Global UAV within the meaning of the policies of the Canadian Securities Exchange Inc. (the "**CSE**") and will be subject to approval by the shareholders of Global UAV.

Transaction Highlights

- **Continues to establish Draganfly as a leading, diversified drone organization:** The Global UAV Subsidiaries have total revenues in excess of CAD\$4.0 million since 2017, with Pioneer Aerial Surveys having gross revenue of \$1,936,501 in the financial year ended 2019.
- **Strategically Positioned to Leverage Draganfly's Brand:** The acquisition of the Global UAV Subsidiaries will be a complementary business to Draganfly and expand Draganfly's total addressable market and enhance its position as a leader in the UAV and UVS industry.
- **Established History of Providing Drone Services:** The Global UAV Subsidiaries have been operating since 2017.
- **Expansion of Services Offered:** Pioneer Aerial Surveys is a global leader in providing UAV based geophysical surveys to the mining and industrial sectors with a focus on providing magnetic data to clients around the globe. High Eye Aerial Imaging provides LiDAR services.

Cameron Chell, Chairman and CEO, stated, "Pioneer Aerial and High Eye Aerial are premier aerial service providers in the mining industry. With the increase in global mining activity and the anticipated regulatory clarity of being able to deploy Beyond Visual Line Of Sight use of drones in the mining industry, we see an exponential growth opportunity for Draganfly to become the #1 or #2 global provider of aerial and data services in the mining industry".

Material Terms of the Agreement

- On closing of the transaction (the "**Closing**"), the Company will have paid to Global UAV CAD\$350,000, which will consist of the following: (i) a cash payment of CAD\$125,000, and (ii) CAD\$225,000 in common shares of Draganfly based on a thirty (30) day volume weighted average price per common share of Draganfly following the execution of the LOI.

- Draganfly will grant Global UAV a royalty of 7.5% of gross revenue generated from UAV magnetometer and LiDAR systems for a period of eighteen months from Closing and assume \$50,000 in liabilities that have been incurred by the Global UAV Subsidiaries.
- Closing is subject to shareholder approval from the shareholders of Global UAV and a number of closing conditions customary for a transaction of this nature, including the filing of required forms with the Canadian Securities Exchange.

About the Global UAV Subsidiaries

Pioneer Aerial Surveys is leading the industry in UAV remote sensing for mineral exploration, mine site surveys, agricultural and forestry related services and safety inspections and developing the first UAV-MAG™ system on the market and have deployed it in mineral exploration and unexploded ordinance surveys. Pioneer Aerial Surveys pushes the limits and capabilities of remote sensing in the exploration industry for our global client list including major, mid tier, and junior mining and exploration clients. High Eye Aerial Imaging is committed to providing high quality aerial images from a unique perspective that cannot be obtained by aircraft. High Eye specializes in LiDAR data acquisition.

About Draganfly

Draganfly Inc. (CSE: DFLY; OTCQB: DFLYF; FSE: 3U8) is the creator of quality, cutting-edge, unmanned vehicle systems and software that revolutionizes the way people do business. Recognized as being at the forefront of technology for over 22 years, Draganfly is an award-winning, industry-leading manufacturer within the commercial UAV and UVS 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.

For more information on Draganfly, please visit us at: www.draganfly.com. For additional investor information, visit www.thecse.com searching DFLY or visit <https://www.boerse-frankfurt.de/> searching 3U8.

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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”, “believe” or similar terminology. Forward-looking statements and information include, but are not limited to, statements with respect to expected closing of the transaction or the expected closing date of the transaction, transaction benefits, expected additional revenues, expected growth, results of operations, performance, industry trends and growth opportunities. 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 transaction may not be completed as expected or at all; the expected benefits of the transaction and additional revenues may not materialize; 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. For more information on the risk, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the public filings of Draganfly which are available at www.sedar.com. 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. Readers are advised not to place undue reliance on forward-looking statements or information.

This news release also contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the pro forma revenue of the resulting issuer which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of providing further information about Draganfly's anticipated future business operations. Draganfly disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein. Such future-oriented production information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this news release.

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.