

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Draganfly Inc. (“**Draganfly**” or the “**Company**”)  
235 103<sup>rd</sup> St. E.  
Saskatoon, Saskatchewan S7N 1Y8

**Item 2 Date of Material Change**

November 18, 2024 and November 19, 2024

**Item 3 News Release**

News releases disclosing the material changes were disseminated through the Globe Newswire on November 18, 2024 and November 19, 2024 and filed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4 Summary of Material Change**

On November 18, 2024, the Company announced an offering in the United States of 1,600,000 units of the Company at a price of US\$2.35 per unit (the “**Units**”) for gross proceeds of approximately US\$3,760,000 (the “**Offering**”).

On November 19, 2024, the Company announced:

- (a) it had completed its previously announced Offering;
- (b) in connection with the Offering, the Company filed a prospectus supplement to the Company’s short form base shelf prospectus dated June 30, 2023 in each of the Provinces of British Columbia, Saskatchewan and Ontario and with the U.S. Securities and Exchange Commission (“**SEC**”) in the United States (the “**Prospectus Supplement**”); and
- (c) it had entered into an agreement to reduce the exercise price of certain pre-existing warrants to CA\$3.3086 (or US\$2.35) per share.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

**Offering**

On November 19, 2024, the Company announced it had completed its previously announced Offering and issued 1,600,000 Units at a price of US\$2.35 per Unit, for gross proceeds to the Company of approximately US\$3,760,000, before deducting underwriting discounts and other Offering expenses.

Each Unit consisted of: (i) one common share in the capital of the Company (each a “**Common Share**”) or one pre-funded warrants to purchase one Common Share in lieu thereof; and (ii) one common share purchase warrant in the capital of the Company (each a “**Common Warrant**”), with each whole Common Warrant entitling the holder thereof to purchase one Common Share at the exercise price of US\$2.35 (CA \$3.3086) per Common Share for a period of five years following the date of issuance.

Maxim Group LLC acted as sole placement agent for the Offering.

Draganfly intends to use the net proceeds from the Offering for general corporate purposes, including to fund its capabilities to meet demand for its new products including growth initiatives and/or for working capital requirements including the continuing development and marketing of the Company's core products, potential acquisitions and research and development.

The Offering was made pursuant to an effective shelf registration statement on Form F-10, as amended, (File No. 333-271498) previously filed with and subsequently declared effective by the SEC on July 5, 2023 and the Company's Canadian short form base shelf prospectus dated June 30, 2023 (the "**Base Shelf Prospectus**"). Draganfly offered and sold the securities in the United States only. No securities were offered or sold to Canadian purchasers.

On November 19, 2024, the Company also announced that it had filed the Prospectus Supplement in connection with the Offering, with each of the provinces of British Columbia, Saskatchewan and Ontario and with the SEC in the United States.

The Prospectus Supplement and accompanying Base Shelf Prospectus relating to the Offering and describing the terms thereof have been filed with the applicable securities commissions in each of the Canadian provinces of British Columbia, Saskatchewan and Ontario and with the SEC in the United States, and copies are available for free by visiting the Company's profiles on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) or the SEC's website at [www.sec.gov](http://www.sec.gov), as applicable.

#### ***Warrant Amendment***

Pursuant to previous offerings in the United States, the Company issued warrants to purchase 256,000 common shares at an exercise price of CA\$5.6925 (US\$4.1152) on October 30, 2023 ("**October Warrants**"), warrants to purchase 540,541 common shares at an exercise price of CA\$5.625 (US\$4.1155) on May 1, 2024 (the "**May Warrants**") and warrants to purchase 666,667 common shares at an exercise price of CA\$5.12 (US\$3.75) on August 21, 2024 (the "**August Warrants**"), collectively with the October Warrants and May Warrants, the "**Existing Warrants**"). In connection with the closing of the Offering, the Company and the holder of the Existing Warrants entered into an amendment agreement (the "**Amendment Agreement**"), whereby the exercise price of the Existing Warrants was reduced to CA\$3.3086 (or US\$2.35) per share, respectively.

#### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

#### ***Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102***

Not applicable.

#### ***Item 7 Omitted Information***

Not applicable.

#### ***Item 8 Executive Officer***

Paul Sun, Chief Financial Officer  
Tel: 1.800.979.9794

#### ***Item 9 Date of Report***

November 25, 2024

### **Forward-Looking Statements**

Certain statements contained in this material change report may constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements, based as they are on the current expectations of management, inherently involve numerous important risks, uncertainties and assumptions, known and unknown. In this material change report, such forward-looking statements include, but are not limited to, statements regarding the anticipated use of proceeds. Actual future events may differ from the anticipated events expressed in such forward-looking statements. Draganfly believes that expectations represented by forward-looking statements are reasonable, yet there can be no assurance that such expectations will prove to be correct. The reader should not place undue reliance, if any, on any forward-looking statements included in this material change report. These forward-looking statements speak only as of the date made, and Draganfly is under no obligation and disavows any intention to update publicly or revise such statements as a result of any new information, future event, circumstances or otherwise, unless required by applicable securities laws. Investors are cautioned not to unduly rely on these forward-looking statements and are encouraged to read the offering documents, as well as Draganfly’s continuous disclosure documents, including its current annual information form, as well as its audited annual consolidated financial statements which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).