

Draganfly Investments Limited ("Draganfly" or the "Company")

Disposal of holding in Immedia Group plc

The Board of Draganfly (AIM: DRG) announces the sale of its holding of 1,108,000 ordinary shares in Immedia Group plc ("Immedia") (AIM: IME) (the "Immedia Holding"), a company quoted on AIM, on 21 August 2013 at 8.75p per share (the "Sale Price") for a total consideration of £96,950.

Draganfly is an investment management company registered in Jersey. Draganfly sold its shares in Immedia to Mark Horrocks, a partner of Intrinsic Capital ("Intrinsic"), the investment adviser to Draganfly. Intrinsic is controlled by its partners Mr Horrocks and Dusko Lukic and, under the AIM Note for Investing Companies, Mr Horrocks is considered to be a director of Draganfly for the purposes of AIM Rule 13.

At the Sale Price, to be satisfied in cash, the Immedia Holding represents approximately 12% of Draganfly's net assets as at 30 June 2013. The cash realised by the sale of the Immedia Holding will be used to fund Draganfly's working capital requirements. Immedia has a market capitalisation of approximately £1.27 million as at 20 August 2013 and the Immedia Holding represents approximately 7.5% of its issued share capital.

Mr Horrocks was not involved in the provision of advice by Intrinsic to the board of Draganfly regarding the disposal of the Immedia Holding. The decision to sell the Immedia Holding was made by the board of directors of Draganfly. The directors of Draganfly, having consulted with its Nominated Adviser, finnCap, consider that the terms of the disposal of the Immedia Holding to Mr Horrocks are fair and reasonable insofar as Draganfly's shareholders are concerned.

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