

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

Fundraise
&
Appointment of Nominated Adviser

24 June 2016

The Board of Draganfly announces that the Company has conditionally raised £134,350 before expenses, by way of a subscription ("Subscription") direct with the Company of 16,793,750 new ordinary shares of no par value in the Company ("Ordinary Shares") (the "Subscription Shares") at a price of 0.8 pence per share (being a discount of approximately 25.6 per cent. to the closing middle market price of 1.075 pence per Ordinary Share on 23 June 2016). The Subscription is subject to shareholder approval at a General Meeting to be convened for 14 July 2016.

A circular containing the notice convening the General Meeting will be available on the Company's website at <http://www.draganflyinvestments.com/>.

The Company is actively investigating potential acquisitions and the Company will use the funds raised in order to fund professional costs associated with making such an acquisition, together with operating costs. At the General Meeting, shareholders will be asked to approve resolutions to allow the issue of further new Ordinary Shares in due course, in addition to the Subscription Shares, to increase the funds available to the Company.

The Company also announces that it has appointed Northland Capital Partners Limited as its AIM Nominated Adviser with immediate effect.

The Subscription includes a subscription by Dusko Lukic for 1,481,250 new Ordinary Shares. This subscription for Ordinary Shares by Dusko Lukic is considered a related party transaction under the AIM Rules for Companies, since Draganfly's investment advisor up until 15 July 2015 was Intrinsic Capital LLP, which is jointly controlled by its partner Dusko Lukic. Dusko Lukic's resultant interests in the Company following completion of the Placing and Subscription is expected to be 4,296,250 Ordinary Shares (representing approximately 8.3 per cent. of the anticipated enlarged issued share capital)

The directors of Draganfly, having consulted with Northland Capital Partners Limited, consider that the issue of Ordinary Shares to Dusko Lukic is fair and reasonable insofar as shareholders of the Company are concerned.

The Subscription Shares will rank pari passu with the existing Ordinary Shares and their issue is, inter alia, conditional on shareholder approval and their admission to trading on AIM ("Admission"). Application will be made for the Subscription Shares to be admitted to trading on AIM and Admission is expected to occur on or around 15 July 2016.

The Company currently has 35,062,687 Ordinary Shares in issue. Following Admission, the Company's issued share capital will consist of 51,856,437 Ordinary Shares with voting rights. There are no Ordinary Shares held in treasury therefore this number may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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