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If you have sold or otherwise transferred all of your Ordinary Shares please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only some of your Ordinary Shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. Subject to, *inter alia*, the passing of the Resolutions at the General Meeting, it is expected that admission of the Subscription Shares to AIM will become effective and dealings in the Subscription Shares will commence on AIM on or around 15 July 2016.

DRAGANFLY INVESTMENTS LIMITED

(Incorporated and registered under the Companies Law with registered number 89889)

PROPOSED SUBSCRIPTION OF up to 35,000,000 NEW ORDINARY SHARES AT 0.8 PENCE PER SHARE

NOTICE OF GENERAL MEETING

Northland Capital Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Nominated Adviser to the Company and no one else and will not be responsible to any person other than the Company under the Financial Services and Markets Act 2000, the rules of the Financial Services Authority or otherwise for providing the protections afforded to its clients or for advising any other person in relation to the contents of this document, the Proposals or any matter, transaction or arrangement referred to in this document. Northland Capital Partners Limited is not making any representation or warranty, express or implied, as to the contents of this document.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. This document provides you with information about the Subscription but does not invite you to participate in it.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 8 of this document and in which the Board recommends that Shareholders vote in favour of the Resolutions.

Notice of the General Meeting to be held at 26 Esplanade, St. Helier, Jersey JE4 8PS at 10.00 a.m. on 14 July 2016 is set out on page 9 of this document. The Form or Proxy for use at the General Meeting forms part of this document and should be returned, together with the power of attorney or other authority (if any) under which the Form of Proxy is signed or a certified copy of such power or authority, to the registered office of the Company by hand or by post, or by fax to +44 (0) 1534 787879 (in each case marked for the attention of the Company Secretary) so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Copies of this document will be available, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and at the Company's website, www.draganflyinvestments.com.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publishing of circular	24 June 2016
Latest time and date for receipt of Forms of Proxy	10.00 a.m. 13 July 2016
General Meeting	10.00 a.m. 14 July 2016
Completion of the Subscription	14 July 2016

DIRECTORS, SECRETARY AND ADVISORS

Directors	Edward Bayman (<i>Executive Chairman</i>) Dennis Vernon Edmonds (<i>Director</i>) Jamie Hamilton (<i>Executive Director</i>) Lee De Ste Croix (<i>Executive Director</i>)
Registered Office	P.O. Box 79, 26 Esplanade, St. Helier, Jersey JE4 8PS
Company Secretary	Liburna Secretaries Limited P.O. Box 79, 26 Esplanade, St. Helier, Jersey JE4 8PS
Nominated Adviser	Northland Capital Partners Ltd 60 Gresham Street London EC2V 7BB
Brokers	Beaufort Securities Ltd, 131 Finsbury Pavement, London, EC2A 1NT
Auditors	RSM UK Audit Plc Portland, 25 High Street, Crawley, West Sussex RH10 1BG
Solicitors to the Company	MJ Hudson Limited 8 Old Jewry, London EC2R 8DN
Registrar	Computershare Investor Services (Jersey) Limited c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY

DEFINITIONS

“Admission”	the admission of the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules following Completion
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Companies Law”	the Companies (Jersey) Law 1991 (as amended)
“Company”	Draganfly Investments Limited
“Completion”	the Subscription being completed and Admission taking place
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document
“Enlarged Issued Share Capital”	the Ordinary Shares in issue immediately following Completion
“Existing Ordinary Shares”	the 35,062,687 Ordinary Shares of no par value in the capital of the Company in issue at the date of this document
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 14 July 2016 at 26 Esplanade, St. Helier, Jersey JE4 8PS
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice convening the General Meeting which is set out on pages 10 to 11 of this document
“Northland”	Northland Capital Partners Limited, the nominated adviser to the Company
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company
“Resolutions”	the resolutions set out in the Notice of General Meeting

“Shareholders”	holders of the Existing Ordinary Shares
“Subscribers”	the subscribers for the Subscription Shares
“Subscription”	the conditional Subscription of the new Ordinary Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the letter agreements made between the Company and the Subscribers relating to the Subscription
“Subscription Price”	0.8 pence per Subscription Share
“Subscription Shares”	the 16,793,750 new Ordinary Shares to be issued pursuant to the Subscription subject to the passing of the Resolutions

LETTER FROM THE EXECUTIVE CHAIRMAN

Draganfly Investments Limited

(Registered under the Companies Law with registered number 89889)

Directors:

Edward Bayman (*Executive Chairman*)
Dennis Vernon Edmonds (*Director*)
Jamie Hamilton (*Executive Director*)
Lee De Ste Croix (*Executive Director*)

Registered Office:

P.O. Box 79
26 Esplanade
St. Helier
Jersey
JE4 8PS

24 June 2016

Dear Shareholder

Proposed Subscription and Notice of General Meeting

1. Introduction

The Company has today announced that it has entered into conditional subscription agreements with investors for them to subscribe for 16,793,750 new Ordinary Shares at a subscription price of 0.8 pence per Ordinary Share, with proposed net proceeds of approximately £125,000 to the Company.

2. Background

The Company was incorporated on 7 April 2005 for the purposes of evaluating and, where appropriate, making investments in quoted and unquoted securities and its shares were admitted to trading on AIM on 29 April 2005. In light of the Company's financial position, as outlined in paragraph 3 below, the Board is proposing that the Company raises funds pursuant to the Subscription.

3. Financial position

The Company currently has liquid assets of £36,097.95 in cash and £11,347.26 in listed securities. The Company has no outstanding liabilities other than approximately £70,000 of directors fees which the directors agreed in April 2015 to defer, inter alia, until such time as the Company makes a substantial acquisition .

Subscription

The Subscription

The Company proposes to raise gross proceeds of £134,350 (approximately £125,000 net of estimated expenses) through the issue of the Subscription Shares to investors on a non-pre-emptive basis. The Subscription Shares will represent approximately 32.4 per cent of the Enlarged Issued Share Capital.

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 was jointly controlled by its partner Dusko Lukic up to 16 June 2015. 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 Company is actively investigating potential acquisitions and the £125,000 net proceeds of the Subscription will be used by the Company to meet transaction costs in relation to any proposed investments. The Directors have agreed to defer drawing their fees until such time as the Company enters into a significant transaction.

The Subscription is conditional, *inter alia*, upon:

- The Resolutions being passed at the General Meeting; and
- Admission occurring on or before 8.00 a.m. on 15 July 2016 (or such later date as the parties may agree).

The Subscription Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid by the Company by reference to record dates falling after their date of allotment.

At the General Meeting, shareholders will be asked to approve resolutions to allow the issue of up to a further 18,206,250 new Ordinary Shares, in addition to the Subscription Shares, to increase the funds available to the Company.

4. Nominated Adviser

The Company also announces that it has appointed Northland as its nominated adviser with effect from today.

5. General Meeting

Set out at the end of this document is a notice convening the General Meeting of the Company to be held at 10.00 a.m. on 14 July 2016.

The Resolutions to be proposed at the General Meeting are as follows:

- Resolution 1 is an ordinary resolution to authorise the Directors to allot the Subscription Shares and up to a further 18,206,250 Ordinary Shares;
- and
- Resolution 2 is a special resolution to dis-apply pre-emption rights in relation to the issue of (i) the Subscription Shares and (ii) the further 18,206,250 new Ordinary Shares.

Recommendation

The Directors consider that the Subscription is in the best interests of the Company and its Shareholders. Accordingly, the Directors, recommend that Shareholders vote in favour of the Resolutions.

Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event so as to be received by no later than 24 hours before the time of the General Meeting. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Yours sincerely

Edward Bayman

NOTICE OF GENERAL MEETING

Draganfly Investments Limited

(incorporated and registered under the Companies Law with registered number 89889)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a general meeting (the “**Meeting**”) of the holders of ordinary shares of Draganfly Investments Limited (the “**Company**”) will be held at Pentera Chambers, Century Buildings, 26 Esplanade, St Helier, Jersey JE4 8PS on 14 July 2016 at 10 am for the purposes of considering and, if thought fit, approving the following resolutions (the “**Resolutions**”) of which Resolution 1 will be proposed as an ordinary resolution of the Company and Resolution 2 will be proposed as special resolution of the Company.

ORDINARY RESOLUTION

1. **THAT** the Directors be and they are hereby generally and unconditionally authorised for the purposes of Article 5.2 of the Company’s Articles of Association to exercise all the powers of the Company to allot new Ordinary Shares up to (and including) an aggregate amount of £280,000 at a subscription price of not less than 0.8p per Ordinary Share, provided that this authority shall expire on 31 December 2016, save that the Company may, before such expiry, make an offer or agreement which would or might require such shares to be allotted after such expiry and the Directors of the Company may allot such shares in the pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

SPECIAL RESOLUTION

2. **THAT**, the Directors be and they are empowered pursuant to Article 5.4 of the Company’s Articles of Association to allot Ordinary Shares for cash pursuant to the authority conferred by Resolution 1 as if Article 5.3 of the Company’s Articles of Association did not apply to any such allotment up to (and including) an aggregate amount of £280,000 at a subscription price of not less than 0.8p per Ordinary Share provided that this power shall expire on 31 December 2016, save the Company may, before such expiry, make an offer or agreement which would or might require such shares to be allotted after such expiry and the Directors may allot such shares in pursuance of such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

Dated 24 June 2016

BY ORDER OF THE BOARD
Liburna Secretaries Limited

Pentera Chambers
26 Esplanade
St Helier
Jersey JE4 8PS
Channel Islands

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

1. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not to be a member of the Company.
2. An instrument for the purpose of appointing a proxy is enclosed. To be valid, the instrument and the power of attorney or other authority(if any)under which it is signed, or a notarially certified copy of such power or authority, must be received at Computershare Investor Services PLC, The Proxy Team, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY or at such other place as is specified for that purpose in the notice of meeting issued by the Company not later than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.
3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tender a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those members entered on the register of members of the company as at close of the business on 12 July 2016 or, if the meeting is adjourned, as at close of business two days prior to the day fixed for the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the entries on the register of members after close of business on the 12 July 2016, or, if the meeting is adjourned, on the register of members at the close of the business two days prior to the day fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. As at the close of business on the day immediately preceding the date of the Notice of General Meeting, the Company's issued share capital comprised 35,062,687 ordinary shares of no par value. Each ordinary share carries the right to vote at the general meeting of the Company and therefore, the total number of the voting rights in the Company is 35,062,687.