

Draganfly Investments Limited

("Draganfly" or the "Company")

6 October 2016

The Board of Draganfly, the AIM quoted investing company, announces that it has made its first investment following the two fundraising exercises completed in Summer 2016.

The Company had made a convertible term loan of £60,000 to AltEnergis Plc, a privately owned company registered in England and Wales, specialising in the development and commercialisation of novel intellectual property. ALtEnergis Plc currently has five core technologies under development.

The loan is for a term of one year and bears interest at the rate of 8% per annum. The loan is convertible into equity of AltEnergis Plc at the request of the Company.

The purpose of the investment is to enable AltEnergis Plc to secure a grant and to reinforce certain technology IP and patent rights.

In the year ended 31 December 2015, AltEnergis Plc made an (unaudited) loss of £ £52,999.

Edward Bayman, Chairman of the Company, said: "The Board are constantly exploring investment possibilities. This investment gives Draganfly an interest in an exciting company with some very promising technologies."

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 of the European Parliament and of the Council.