

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

1 June 2018

Transaction Update

Further to the announcement of 22 March 2018, Draganfly Investments Limited is pleased to announce that it has entered into binding heads of terms with a private entity owning copper exploration and development assets in Zambia, to undertake a reverse takeover in conjunction with a placing of new shares in the enlarged group.

Due diligence is underway and the Company hopes to announce exchange of contracts and the fundraising, which are subject, inter alia, to successful completion of due diligence, shareholder approval and admission to AIM, during Q2/Q3 2018, at which point the Company will apply for the suspension of trading of the Company's shares on AIM to be lifted.

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

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