

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

Issue of equity and fundraising

Draganfly announces that it has raised £114,000 before expenses by way of a placing of new ordinary shares of 1p each ("Ordinary Shares") for cash with existing shareholders at 1p per share ("the Placing"). The proceeds will be used to strengthen the Company's balance sheet.

Dusko Lukic is a related party as defined in the AIM Rules for Companies ("AIM Rules") by way of his shareholding in Millpath Limited, the investment advisor to Draganfly, and by way of his substantial shareholding in Draganfly. Mr Lukic is to acquire 4,950,000 Ordinary Shares in the Placing, following which he will be interested in a total of 28,150,000 Ordinary Shares, which represents 22.4% of the enlarged share capital. In addition, Mr W A Soames, a substantial shareholder and therefore a related party as defined in the AIM Rules, is to acquire 4,950,000 Ordinary Shares, following which he will be interested in a total of 28,115,000 Ordinary Shares, which represents 22.4% of the enlarged share capital.

Intrinsic Capital LLP ("Intrinsic") has assisted in the Placing and is an entity controlled by Mr Lukic and Mark Horrocks, the Chairman of Draganfly and is therefore a related party as defined in the AIM Rules. Intrinsic is to receive a commission fee of £5,700. The independent directors of Draganfly, being all the directors except Mr Horrocks (the "Independent Directors"), having consulted with the Nominated Adviser, finnCap, consider that the terms of Intrinsic's assistance with the Placing are fair and reasonable insofar as Draganfly's shareholders are concerned.

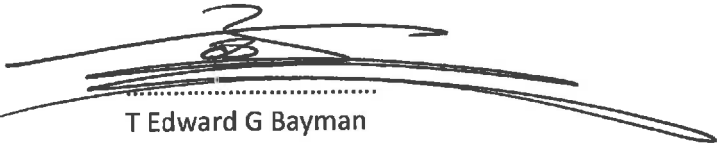
In addition, the Independent Directors, having consulted with the Nominated Adviser, finnCap, consider that the terms of Mr Lukic's and Mr Soames' participation in the Placing are fair and reasonable insofar as Draganfly's shareholders are concerned.

Further to the Placing, 11,400,000 Ordinary Shares will be issued increasing the total number of ordinary shares in the Company with voting rights to 125,627,000. Application will be made for 11,400,000 Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares will rank pari passu with existing ordinary shares and dealing is expected to commence at 8.00am on 9th December 2011.

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T Edward G Bayman
Director
Draganfly Investments Limited

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