

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Draganfly Inc. (the "Issuer" or "Draganfly").

Trading Symbol: DPRO

Number of Outstanding Listed Securities: 48,650,243

Date: November 3, 2023

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On October 30, 2023, the Issuer announced closing of US\$3.5 Million underwritten offering.

On October 26, 2023, the Issuer announced pricing of US\$3.5 Million underwritten offering.

On October 4, 2023, the Issuer announced it will address United Nations expert gathering on emerging technologies for disaster risk reduction.

2. Provide a general overview and discussion of the activities of management.

Management has been busy with various corporate development opportunities including discussing the integration of a health monitoring technology into various verticals along with expanding its drone product offering.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services discontinued.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No contract or agreements have expired or been terminated.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

VP Finance mutually separated from the Issuer.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

| Security | Number Issued | Details of Issuance | Use of Proceeds⁽¹⁾ |
|------------------------------------|----------------------|----------------------------|--------------------------------------|
| Units ⁽²⁾ | 4,800,000 | Prospectus Unit Financing | US\$2,640,000 Working capital |
| Pre-funded units ⁽³⁾ | 1,600,000 | Prospectus Unit Financing | US\$879,840 Working capital |
| Pre-funded warrants ⁽³⁾ | 1,600,000 | Prospectus Unit Financing | N/A until exercise |
| Warrants ⁽⁴⁾ | 6,400,000 | Prospectus Unit Financing | N/A until exercise |
| Warrants ⁽⁵⁾ | 320,000 | Underwriter's Compensation | N/A until exercise |

(1) State aggregate proceeds and intended allocation of proceeds. These amounts represent gross proceeds.

(2) 4,800,000 units were issued at US\$0.55 each (the "**Units**"). Each Unit is comprised of one common share of the Issuer (the "**Common Shares**") and one Common Share purchase warrant (the "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of US\$0.6123, subject to adjustment, by October 30, 2028.

(3) 1,600,000 pre-funded units were issued at US\$0.5499 each (the "**Pre-Funded Units**"). Each Pre-Funded Unit is comprised of one pre-funded Common Share purchase warrant (a "**Pre-Funded Warrant**") and one Warrant. Each Pre-Funded Warrant entitles the holder thereof to purchase one Common Share at an exercise price of US\$0.0001 and shall terminate upon exercise in full of the Pre-Funded Warrants. The Pre-Funded Warrants are immediately exercisable (subject to the beneficial ownership cap) and may be exercised at any time until all of the Pre-Funded Warrants are exercised in full.

(4) *These are the Warrants indicated in notes (2) and (3) above.*

(5) *In consideration for the services rendered by the underwriter in connection with the above-noted Unit and Pre-Funded Unit offerings, the Issuer issued 320,000 warrants to the underwriter (the “**Underwriter Warrants**”). Each Underwriter Warrant entitles the holder thereof to purchase one Common Share at an exercise price of US\$0.6875 by October 30, 2026.*

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

The Issuer operates in the commercial UAV/drone space. The US Government announced that they are prohibiting US government entities from purchasing foreign or non-North American manufactured drones. The Issuer does not anticipate this announcement to impact the Issuer as its drones are manufactured in Canada.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 3, 2023.

Paul Sun
Name of Director or Senior Officer

"Paul Sun"
Signature

CFO & Corporate Secretary
Official Capacity

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| Issuer Details Name of Issuer Draganfly Inc. | For Month End October | Date of Report YY/MM/DD 23/11/03 |
| Issuer Address 2108 St. George Ave | | |
| City/Province/Postal Code Saskatoon, SK, S7M 0K7 | Issuer Fax No. (306)955-9906 | Issuer Telephone No. (306)955-9907 |
| Contact Name Paul Sun | Contact Position CFO | Contact Telephone No. (416) 569-5070 |
| Contact Email Address Paul.sun@draganfly.com | Web Site Address www.draganfly.com | |