

## FORM 8

### **NOTICE OF PROPOSED PROSPECTUS OFFERING**

Please complete the following:

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

Trading Symbol: **DPRO**

Date: **February 21, 2024**

Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: **N/A**.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering:

**50,893,221 common shares, 897,158 stock options, 1,037,975 restricted share units and 6,974,798 warrants as of February 21, 2024.**

Date of News Release Announcing Proposed Prospectus Offering: **February 21, 2024.**

#### **1. Prospectus Offering**

1. Description of securities to be issued:

(a) Class

**Units of the Issuer (the "Firm Units"), with each Firm Unit consisting of: (a) either (i) one Common Share (each, a "Unit Share") or (ii) one prefunded common share purchase warrant (each, a "Pre-Funded Warrant"), with each Pre-Funded Warrant entitling the holder thereof to purchase one common share (each a "Pre-Funded Warrant Share") immediately following the closing date of the offering upon payment of the exercise price of US\$0.0001 per Pre-Funded Warrant Share; and (b) one common share purchase warrant of the Corporation (each, a "Warrant") entitling the holder thereof to purchase one common share (each, a "Warrant Share").**

(b) Number

**To be determined. The Issuer has filed a preliminary prospectus supplement to the short form base shelf prospectus dated June 30, 2023 omitting all pricing and offering size information, and intends to**

**subsequently file a final prospectus supplement including pricing and offering size information.**

(c) Price per security

**To be determined, see response to Section 1(b) above. Such price to be referred to as the Offering Price.**

(d) Voting rights

**The Firm Units shall not have voting rights. Each underlying Unit Share, Pre-Funded Warrant Share and Warrant Share shall have one vote.**

2. Provide details of the net proceeds to the Issuer as follows:

(a) Per security:

**To be determined, see response to Section 1(b) above.**

(b) Aggregate proceeds:

**To be determined, see response to Section 1(b) above.**

3. Provide description of any Warrants (or options) including:

(a) Number

**To be determined.**

(b) Number of securities eligible to be purchased on exercise of Warrants (or options)

**Each Pre-Funded Warrant shall entitle the holder thereof to purchase one Pre-Funded Warrant Share. Each Warrant shall entitle the holder thereof to purchase one Warrant Share.**

(c) Exercise price

**To be determined.**

(d) Expiry date

**To be determined.**

(e) Other significant terms

If, on the date that is 30 calendar days immediately following the initial issuance date of the Warrant (the issuance date of the Warrant, the “Issuance Date” and the date that is 30 calendar days following the Issuance Date, the “Initial Reset Date”), the Reset Price, as defined below, is less than the exercise price of the Warrant (the “Exercise Price”) at such time, the Exercise Price shall be decreased to the Reset Price; provided, however, that if at the Initial Reset Date, the Reset Price is greater than or equal to the Exercise Price, then there shall be no adjustment to the Exercise Price on the Initial Reset Date, provided, that if, on the date that is 75 calendar days following the Issuance Date, the Reset Price is less than the Exercise Price at such time, the Exercise Price shall be decreased to the Reset Price. “Reset Price” shall mean 100% of the trailing ten day VWAP immediately preceding the Initial Reset Date or the Second Reset Date, as the case may be, provided that in no event shall the Reset Price be less than 25% of the Exercise Price (subject to adjustment for reverse and forward stock splits, recapitalizations and similar transactions following the date of the Underwriting Agreement).

4. Provide the following information if debt securities are to be issued:

(a) Aggregate principal amount

N/A.

(b) Maturity date

N/A.

(c) Interest rate

N/A.

(d) Conversion terms

N/A.

(e) Default provisions

N/A.

5. Details of currently issued and outstanding shares of each class of shares of the Issuer:

As of February 20, 2024 there are 50,893,221 common shares of the issuer that are issued and outstanding.

6. Describe any unusual particulars of the offering (i.e. tax “flow through” shares, special warrants, etc.).

N/A

7. Provide details of the use of the proceeds:

**The Issuer intends to use the proceeds, together with existing cash, for general corporate purposes, including to fund its capabilities to meet demand for its new products including growth initiatives and/or for working capital requirements including the continuing development and marketing of the Issuer’s core products, potential acquisitions and research and development.**

8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer:

N/A.

9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering:

N/A.

10. Provide the following information for any agent’s fee, commission, bonus or finder’s fee, or other compensation paid or to be paid in connection with the offering (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable)

**Maxim Group LLC, 300 Park Ave, 16<sup>th</sup> Floor, New York, NY 10022 (the “Underwriter”).**

- (b) Cash

**In consideration for the services rendered by the Underwriter, the Underwriter will receive an underwriting fee equal to 7.0% of the gross proceeds from the sale of the Firm Units.**

- (c) Securities

**In consideration for the services rendered by the Underwriter, the Underwriter will be granted share purchase warrants covering that**

**number of Common Shares equal to approximately 5% of the Firm Units sold pursuant to this prospectus offering (the “Underwriter’s Warrants”).**

(d) Other

**None.**

(e) Expiry date of any options, warrants etc.

**To be determined.**

(f) Exercise price of any options, warrants etc.

**To be determined.**

11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship:

**The Underwriter is not a Related Person of the Issuer.**

12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements outstanding or proposed to be made including any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings:

**The Firm Units will be issued and sold in the United States by the Underwriters pursuant to an underwriting agreement (the “Underwriting Agreement”). The Offering Price will be determined by arm’s length negotiation between the Issuer and the Underwriters with reference to prevailing market conditions. In connection with the offering, the Issuer will file a prospectus supplement (the “Prospectus Supplement”) to the Issuer’s short form base shelf prospectus dated June 30, 2023. The offering is being made in the United States under a registration statement on Form F-10 (File No. 333-258074) filed with and declared effective by the SEC under the U.S. Securities Act. No Common Shares will be sold on the Canadian Securities Exchange. Please refer to the “Plan of Distribution” heading in the Prospectus Supplement for full details.**

13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering.

**Please refer to the Preliminary Prospectus Supplement which has been filed on the Issuer’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).**

## 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 on behalf of the Issuer.
2. As of the date hereof there is 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 8 Notice of Proposed Prospectus Offering is true.

Dated February 21, 2024.

Paul Sun  
Name of Director or Senior  
Officer

"Paul Sun"  
Signature

Chief Financial Officer  
Official Capacity