

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Drone Delivery Canada Corp. (the “Company”)  
82 Richmond Street East  
Toronto, Ontario M5C 1P1

**2. Date of Material Change**

October 5, 2017

**3. News Release**

Two press releases disclosing the material change were released on October 5, 2017, through the facilities of Marketwired.

**4. Summary of Material Change**

The Company announced that it had entered into an agreement with GMP Securities L.P. (the “Underwriter”), pursuant to which the Underwriter agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, 23,100,000 common shares (the “Common Shares”) of the Company at a price of \$0.65 per Common Share (the “Offering Price”) for aggregate gross proceeds of \$15,015,000 (the “Offering”). In addition, the Underwriter was granted the option to purchase up to an additional 3,465,000 Common Shares at the Offering Price, exercisable in whole or in part, at any time and from time to time on or prior to the date that is 30 days following the closing of the Offering. If this option is exercised in full, an additional \$2,252,250 in gross proceeds will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be \$17,267,250.

The Company subsequently announced that it had expanded the offering jurisdictions for the Offering to include the Province of Quebec. All other terms of the Offering remain unchanged.

**5. Full Description of Material Change**

The material change is fully described in the Company’s press releases which are attached as Schedule “A” and Schedule “B”, and are incorporated herein.

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

**7. Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Richard Buzbuzian, President at (647) 501-3290.

9. **Date of Report**

This report is dated at Toronto, this 13<sup>th</sup> day of October, 2017.

# SCHEDULE "A"

## PRESS RELEASE

### FOR IMMEDIATE RELEASE



#### **DRONE DELIVERY CANADA CORP. ANNOUNCES \$15 MILLION BOUGHT DEAL FINANCING**

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

**TORONTO, ONTARIO – October 5, 2017** – Drone Delivery Canada Corp. (CSE: FLT) (“Drone Delivery” or the “Corporation”) announced today that it has entered into an agreement with GMP Securities L.P. (the “Underwriter”), pursuant to which the Underwriter has agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, 23,100,000 common shares (the “Common Shares”) of the Corporation at a price of \$0.65 per Common Share (the “Offering Price”) for aggregate gross proceeds to Drone Delivery of \$15,015,000 (the “Offering”).

The Company has agreed to grant the Underwriter an over-allotment option to purchase up to an additional 3,465,000 Common Shares at the Offering Price, exercisable in whole or in part, at any time and from time to time on or prior to the date that is 30 days following the closing of the Offering. If this option is exercised in full, an additional \$2,252,250 in gross proceeds will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be \$17,267,250.

The Common Shares will be offered by way of a short form prospectus to be filed in all provinces of Canada (except Quebec). The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes. The Offering is expected to close on October 25, 2017 (or such other date as the Underwriter and the Company may agree) and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

#### **About Drone Delivery Canada Corp.**

Drone Delivery Canada is a drone technology company focused on the design, development and implementation of its proprietary logistics software platform utilizing drones. The Company’s platform will be used as Software as a Service (SaaS) for government and corporate organizations. Drone Delivery Canada Corp. is a publicly listed company trading on the Canadian Securities Exchange under the symbol FLT.

Richard Buzbuzian, President, Drone Delivery Canada  
Telephone: (647) 501-3290  
Email: richard@dronedeliverycanada.com

#### **Notice Regarding Forward Looking Information**

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, including the use of proceeds of the Offering and the timing for the completion of the Offering. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions,

industry conditions, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.

## SCHEDULE "B"



**THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.**

### **DRONE DELIVERY CANADA CORP. ANNOUNCES COMMON SHARES TO BE OFFERED IN QUEBEC**

**TORONTO, ONTARIO – October 5, 2017** – Drone Delivery Canada Corp. (CSE: FLT) (“Drone Delivery” or the “Corporation”) announced today that it has expanded the offering jurisdictions for its previously announced \$15 million bought deal offering of common shares (the “Offering”) to include the Province of Quebec. All other terms of the Offering remain unchanged.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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