

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

**1. Name and Address of Company**

Drone Delivery Canada Corp. (the “**Company**”)  
6-6175 Highway 7, Suite 441  
Vaughan, Ontario  
L4H 0R6

**2. Date of Material Change**

October 25, 2017

**3. News Release**

A press release disclosing the material change was released on October 25, 2017, through the facilities of Newsfile Corp.

**4. Summary of Material Change**

The Company announced that it had completed its previously announced bought-deal prospectus offering (the “**Offering**”) underwritten by GMP Securities L.P. (the “**Underwriter**”), pursuant to which the Company issued an aggregate of 23,100,000 common shares (the “**Common Shares**”) at a price of \$0.65 per Common Share (the “**Offering Price**”) for aggregate gross proceeds of \$15,015,000.

The Common Shares were offered by way of a short form prospectus filed in all provinces of Canada. The Company intends to use the net proceeds from the Offering to explore the expansion of its testing and commercialization program into the United States and other international jurisdictions selected by the Company, concurrent with the Company’s continuing activities to advance its testing and commercialization program in Canada.

**5. Full Description of Material Change**

The material change is fully described in the Company’s press release which is attached as Schedule “A”, and is 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 27<sup>th</sup> day of October, 2017.

PRESS RELEASE

**FOR IMMEDIATE RELEASE**



**DRONE DELIVERY CANADA CORP. ANNOUNCES CLOSING OF BOUGHT DEAL FINANCING FOR AGGREGATE GROSS PROCEEDS OF \$15,015,000**

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 25, 2017** – Further to its press releases dated October 5, 2017, Drone Delivery Canada Corp. (CSE: FLT) (the “Company”) is pleased to announce today that it has closed its previously announced bought-deal prospectus offering (the “Offering”) underwritten by GMP Securities L.P. (the “Underwriter”), pursuant to which the Company issued an aggregate of 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 to the Company of \$15,015,000.

The Common Shares were offered by way of a short form prospectus filed in all provinces of Canada. The Company intends to use the net proceeds from the Offering to explore the expansion of its testing and commercialization program into the United States and other international jurisdictions selected by the Company, concurrent with the Company’s continuing activities to advance its testing and commercialization program in Canada.

The securities issued pursuant to the Offering 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.

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**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. 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 (both in Canada and internationally). 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.