

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**



**Drone Delivery Canada Announces \$7 Million Special Warrant Financing**

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**TORONTO, Feb. 6, 2017 – Drone Delivery Canada Corp. (“DDC” or the “Company”)** (CSE:FLT), announces that it has entered into an engagement letter with GMP Securities L.P., (the “Agent”) for an offering on a fully marketed “best efforts” private placement basis of special warrants of the Company (the “Special Warrants”) at a price per Special Warrant of \$0.35 for aggregate gross proceeds of approximately \$7 million (the “Offering”). The Company has also granted the Agent an option to purchase up to an additional 15% of the base offering of Special Warrants, which option is exercisable by giving notice to the Company not less than 48-hours prior to the closing of the Offering. Closing of the Offering is expected to occur on February 28, 2017 or such other date as the Agent and the Company may agree.

Each Special Warrant will entitle the holder thereof to receive and without payment of additional consideration, one (1) unit of the Company (each a “Unit” and collectively the “Units”) consisting of one (1) Common Share (each a “Unit Share”) and one-half of one (0.5) common share purchase warrant (each whole common share purchase warrant a “Warrant”). Each whole Warrant, subject to customary adjustments, shall be exercisable into one (1) Common Share (a “Warrant Share”) at an exercise price of \$0.45 per Warrant Share for a period of two (2) years from the date of issue. If the volume weighted average price of the Common Shares on the CSE is equal to or greater than \$1.00 for a period of 10 consecutive trading days then the Company may anytime thereafter accelerate the expiry date of the Warrants to the date that is 30 days following the date on which the Company issues notice to all the Warrant holders of the new expiry date. The Company will also issue a press release on the same date as it issues notice confirming the new expiry date of the Warrants.

The Company has agreed to use its best efforts to obtain a receipt for a final short form prospectus qualifying the distribution of the Units upon exercise of the Special Warrants (the “Qualification Condition”) on or before the date that is 90 days following closing of the Offering (the “Qualification Deadline”). If the Prospectus Qualification does not occur before the Qualification Condition, each holder shall be entitled to receive, without payment of additional consideration, 1.05 Units per Special Warrant. Unless the Qualification Condition occurs, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

The closing of the Offering is subject to the completion of formal documentation, including but not limited to, the execution of an agency agreement with the Agent in connection with the Offering and receipt of regulatory approvals, including approval of the CSE. All securities issued pursuant to the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering.

The Company intends to use the net proceeds of the Offering (including any proceeds received as a result of the exercise of the Agent’s option) for (i) the acceleration of technical development and commercialization of its proprietary logistics software platform and (ii) general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

**For more information, please visit [www.dronedeliverycanada.com](http://www.dronedeliverycanada.com).**

### **About Drone Delivery Canada**

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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### **Forward Looking Statements**

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties. 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.