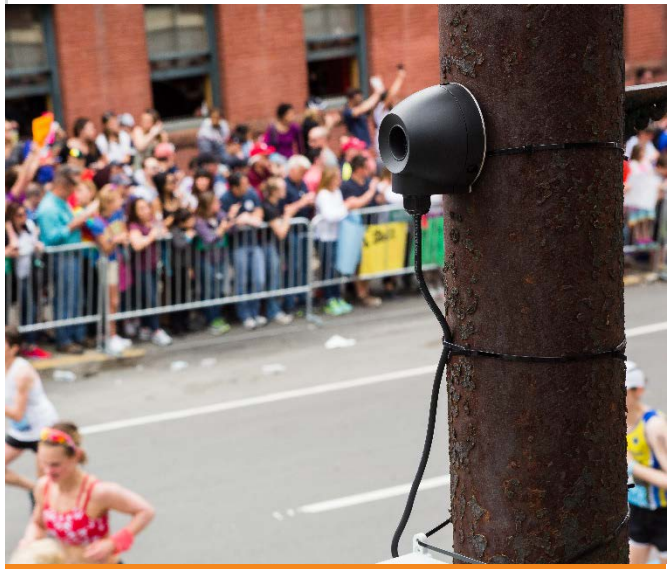
DRONESHIELD



Drone security systems | A first-mover in a nascent global industry | Sydney, Australia and Virginia, USA

ASX:DRO (shares) and ASX:DROO (options)

Annual General Meeting | 26 April 2017

RESOLUTION 1
ADOPTION OF REMUNERATION REPORT

Resolution 1 is as follows:

- To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2016."

Proxy votes received:

For	Against	Open	Abstain
104,398,958	4,345	13,000	0
99.99%	0.00%	0.01%	

RESOLUTION 2
RE-ELECTION OF MR ROBERT CLISDELL AS DIRECTOR

Resolution 2 is as follows:

- To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"*That Mr Robert Clisdell, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company.*"

Proxy votes received:

For	Against	Open	Abstain
105,803,303	0	13,000	0
99.99%	0.00%	0.01%	

RESOLUTION 3
ASX LISTING RULE 7.1A APPROVAL OF FUTURE ISSUE OF SECURITIES

Resolution 3 is as follows:

- To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution:**

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Proxy votes received:

For	Against	Open	Abstain
105,672,963	101,140	13,000	29,200
99.89%	0.10%	0.01%	

RESOLUTION 4
APPROVAL OF ISSUE OF OPTIONS TO MR OLEG VORNIK

Resolution 4 is as follows:

- To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act, section 200E of the Corporations Act and for all other purposes, the Shareholders of the Company approve the issue of 1,300,000 unlisted Class D options to Mr Oleg Vornik (or his nominee), an Executive Director of the Company pursuant to the Company's Employee Share Option Plan and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Proxy votes received:

For	Against	Open	Abstain
88,069,597	17,663,106	13,000	20,600
83.29%	16.70%	0.01%	

RESOLUTION 5
APPROVAL OF ISSUE OF OPTIONS TO MR ROBERT CLISDELL

Resolution 5 is as follows:

- To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution:**

"That, for the purposes of ASX Listing Rule 10.14, section 208 of the Corporations Act, section 200E of the Corporations Act and for all other purposes, the Shareholders of the Company approve the issue of 500,000 unlisted Class D options to Mr Robert Clisdell (or his nominee), a Non-Executive Director of the Company pursuant to the Company's Employee Share Option Plan and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Proxy votes received:

For	Against	Open	Abstain
105,650,097	110,606	13,000	42,600
99.89%	0.10%	0.01%	

CEO AND MANAGING DIRECTOR OVERVIEW

- **Strong business momentum continues.**
  - DroneGun, WideAlert and FarAlert launches.
  - DroneSentry and other products in the pipeline, responding to urgent customer needs.
  - Use of nefarious drones continues to increase.

- **DroneShield maintains its position as the leader in drone countermeasures globally.**
  - Currently participating in a number of government procurement processes.
  - Continues to grow and strengthen the global distributor network in over 50 countries.

- **Strong interest from customers, media and other stakeholders.**
  - Recent sales include, among others, installations at: Turkey Prime Ministry and a national security agency of an Asian country, as well as a sale of a test unit to the Defence Ministry of a Middle Eastern country.
  - DroneShield continues to feature in the media - NBC, Fox, CBS, Reuters and others.
  - One of the winners of the Westpac Businesses of Tomorrow Award in early April.

COMPANY OVERVIEW

Global Leader in Drone Security Technology	▶ An established player in the market; U.S. and international sales commenced in 2014 ▶ Sells both drone detection and drone countermeasure products ▶ Effective, passive and cost-effective acoustic detection technology (up to 1km range) ▶ Countermeasures - universal RF and GPS jamming ▶ No export restrictions and the detection product is legal for any type of customer ▶ An experienced board and management team
Limited Competition	▶ A large number of recent entrants into the drone security market, however competition is largely "vapourware" – development concept or prototype phase only ▶ Defence "primes" offer a substantially more expensive product and are often ITAR/export controlled, limiting their customer reach ▶ DroneShield's are stand-alone products, affordable by government and commercial users ▶ Also able to "sub-contract" to defense primes as the unique technology (acoustics) complements their technology, which is typically radar, RF or camera
Large Market	▶ Significant and fast growing consumer and commercial drone industry is creating a need for drone security products ▶ Frequency of incidents accelerating by day ▶ ISIS weaponising drones to conduct terrorism in Middle East, as well as utilizing drones to film terrorist acts more generally ▶ Hundreds of thousands of potential customer installations, with a US$12 billion+ addressable market
Unique Exposure to Drone Security Sector	▶ DroneShield is one of only two pure-play publicly listed companies globally in the drone security space

COMPANY OVERVIEW (CONTINUED)

High Profile Customer Relations and Extensive Pipeline	▶ Recent detection product sales included Turkey Prime Minister's Office and a national security agency of a major Asian country ▶ Recent countermeasure product revenues from Swiss police (protecting the 2017 World Economic Forum in Davos) and a multi-hundred million dollar maritime asset ▶ Third year working with Boston Police Department protecting Boston Marathon
Board and Advisory Board Calibre	▶ U.S. and allied defence market are one of the key markets going forward ▶ U.S. Navy Admiral Jay Cohen (Ret) (DroneShield's Advisory Board), former Chief of Naval Research (Chief Technology Officer) of the United States Department of the Navy, and United States Department of Homeland Security Undersecretary for Science and Technology, has been reported to have met with the then President-Elect Donald Trump and his transition team at the Trump Tower on December 2, 2016 (in his personal capacity) ▶ Dr Samantha Ravich (DroneShield's Board of Directors) held a number of key positions previously including former Deputy National Security Advisor to Vice-President Cheney ▶ Former Australian Minister for Defence and U.K. Head of Land Army both Advisory Board Members
Substantial Media Coverage Reinforcing Brand Leadership	▶ DroneGun appearing on the NBC's Today show a day ahead of presidential inauguration ▶ DroneGun launch at the end of 2016 - hundreds of media articles on DroneShield and DroneGun published globally ▶ DroneShield's promotional video received over 1.3 million views within first month

PROBLEM

- Affordable consumer drones are popular but they present unique and frequent threats to privacy, physical security, and public safety in a range of environments including industrial and critical infrastructure, prisons, government facilities, airports, outdoor events and venues, military, homeland security, real assets and executive protection.
- Commercially-available drones can cost between **US$30 and US$30,000**, **are legally available** at conventional retailers and online, and can be lawfully flown in the U.S. and most major countries.
- **1 million commercial drones** are estimated to have been sold in 2015, and 12 million to be operating by 2020. Commercial drone market is estimated at US$7 billion in 2015 and projected to grow to US$12 billion by 2023. Defence and security drone market estimated at US$5.9 billion in 2015 and projected at US$11.1 billion by 2024.
- Commercially-available drones have:
  - **threatened commercial aircraft**,
  - breached security at airports, outdoor sporting facilities, national borders, public events, etc.,
  - **breached security of VIPs/executives/political figures**,
  - conducted surveillance of government facilities and private figures,
  - been **repurposed for terrorism**,
  - been used for industrial espionage,
  - smuggled drugs into prisons, and
  - conducted warfare in conflict zones.
- Governments and owners of infrastructure and other real assets are **acutely aware of the threat**.
- There are few **cost-effective detection and defence solutions.**

THREAT EXAMPLES

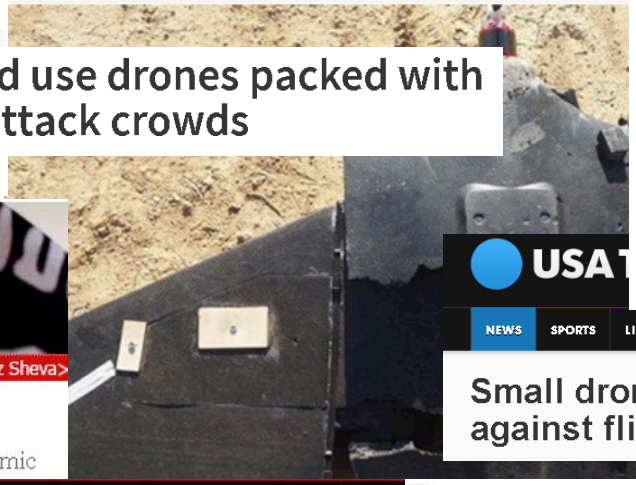
theguardian

UK should prepare for use of drones in terrorist attacks, says thinktank

Power stations, summits and the PM's car are all potential targets for unmanned aerial vehicles carrying explosives, says Remote Control project

ISIS Is Reportedly Packing Drones With Explosives Now

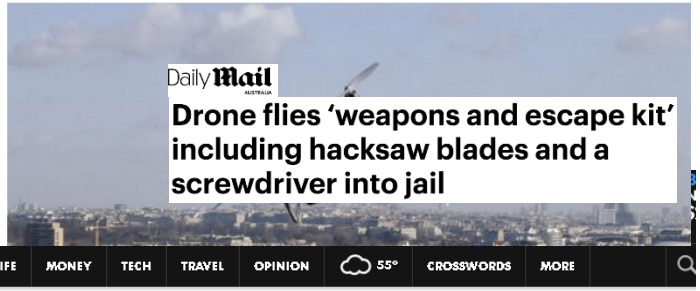
Pictures on Facebook are purported to be a small explosive shot down by Kurdish forces.



Fears ISIS could use drones packed with explosives to attack crowds

RCMP warned Ottawa last year of possible drone terror threat

Mounties warn the federal government that unmanned aerial vehicles pose a terrorism threat to critical infrastructure in Canada.



Daily Mail

Drone flies 'weapons and escape kit' including hacksaw blades and a screwdriver into jail

ISIS

Full coverage on Arutz Sheva

US Forces Shoot Down ISIS Drone

American forces bomb an unmanned aircraft piloted by Islamic State terrorists near Fallujah.

By Arutz Sheva Staff

First Publish: 3/18/2015, 8:53 PM / Last Upd

USA

NEWS SPORTS LIFE MONEY TECH TRAVEL OPINION 55° CROSSWORDS MORE

Small drone crashes near White House despite ban against flights in D.C.

CNN World » Drone with radioactive material found on Japanese Prime Minister's roof

Drone with radioactive material fou on Japanese Prime Minister's roof

By Will Ripley, CNN

Updated 2:47 PM ET, Wed April 22, 2015 | Video Source: CNN

The New York Times

Rift Among Navy SEALs Over Members Who Cash In on Brand

North Carolina Law May Risk Federal Aid

Outraged by Kansas Justices' Rulings, Republicans Seek to Reshape Court

Gov. Doug Ducey of Arizona Signs Abortion Drug Bill That Skirts New F.D.A. Protocol

White House Drone Crash Described as a U.S. Worker's Drunken Lark

Mirror

Criminals using drone to smuggle record quantity of drugs to prisoners crash it inside jail after losing control

Dubai airport grounds flights for 30 minutes over drone

Published time: 28 Sep, 2016 15:03

theguardian

UK should prepare for use of drones in terrorist attacks, says thinktank

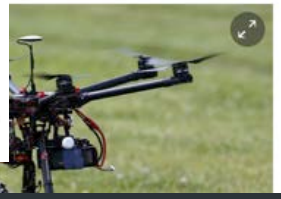
INDEPENDENT News Voices Culture Lifestyle Tech Sport

News › UK › Home News

Terrorists could use drone bombs to attack nuclear power stations, experts warn

Report recommends a licensing system for drones, using lasers and radio jammers to defend potential targets

Ian Johnston | Sunday 10 January 2016 | 50 comments



OUR SOLUTION – DETECTION AND COUNTERMEASURES

Detection

- **Detects drones** and provides **real-time alerts** and **digital evidence** collection.
- **Proprietary acoustic hardware** and **software.**
- A **cost-effective** solution, and one of very few available to commercial users in the market globally.
- **Software as a Service (SaaS) pricing model** which includes hardware and secures **recurring revenue** stream for the life of the installation.
- **High detection rates** vs other methods, and **low profile** system.
- **Distribution channels** focus on third party security integrators and distributors.
- **Easy integration** with existing security systems.

WideAlert product at Boston Marathon

Countermeasures

- DroneGun - tactical drone **jammer**.
- **Portable** solution that can be carried by a single person.
- **Effective** countermeasure against drones up to 2km away.
- The drone **safely** returns to its starting point or descents vertically on the spot – does not drop uncontrollably.

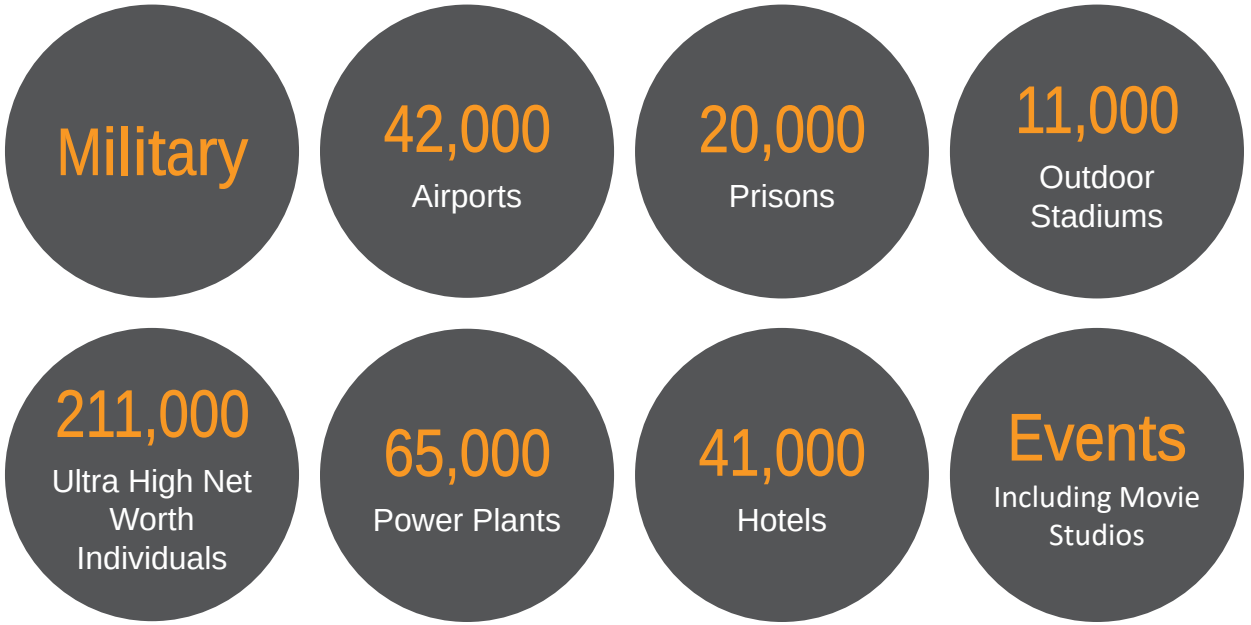
DroneGun deployed by the Swiss Police in Davos

DRONESHIELD PRODUCTS

DroneGun	▶ Portable tactical drone jammer	
WideAlert	▶ 180 degree wide angle near-range detection	
FarAlert	▶ Long-range (up to 1km) drone detection with precise sector positioning (30 degree cone)	
DroneSentry (in Development)	▶ Integrated detection and countermeasure system (includes drone swarm defence)	

OUR MARKET

- Addressable civil detection **market of over US$12 billion** (plus the military and law enforcement markets and the countermeasure market)**. Hundreds of thousands of potential customer facilities for the detection products alone** worldwide in need of 2 - 100 units per installation, including:



- Vast majority of **real asset perimeters** are currently unprotected (the land perimeter is a fraction of the overall **three-dimensional exposure** to threats, and threats are increasingly coming from the air).
- Drone market growth: **12 million operational drones** expected by 2020.
- **Other infrastructure, defense installations, national borders, secured sites, manufacturing plants, real estate assets, public events and executive protection**.
- Countermeasures (DroneGun) are legal to use by federal agencies in the U.S. and foreign governments.
- A number of countries allow jammer deployment by non-government entities.

DRONESHIELD'S DETECTION TECHNOLOGY – COMPETITIVE ADVANTAGES

- **Non-Line of Sight Detection.**
  - Detects drones behind objects.
- **Night-Time Detection.**
- **Low Flight Detection.**
  - Trees, buildings and other objects make camera based solutions very difficult vs a blue sky.
  - Drones generally fly over prisons very low, barely over the fence lines.
- **Detection Range.**
  - Up to 1km detection vs <100m for a camera.
  - Long range capability (5-10km) radar can be "blind" at near distances (sub few hundred meters).
- **Effective Coverage Area.**
  - Camera based systems are limited to their field of view, currently about 120 degrees horizontally and less vertically (often 90 degrees for radar).
  - If the drone is a few meters above their sensor, but outside the field of view, those technologies will not detect it.
- **False Alarms.**
  - Camera, radar, RF, and thermal based systems tend to have challenges dealing with other moving objects in the air such as birds, insects, leaves and even the clouds which carry water and generate heat signatures in the background.

DRONESHIELD'S COUNTERMEASURE TECHNOLOGY – COMPETITIVE ADVANTAGES

- **Universally Targets a Wide Range of Drones.**
  - Effective against drones operating at 2.4Ghz, 5.8Ghz and GPS/Glonass – over 99% of drones on the market today.
  - Unlike cyber systems, does not require a separate "hack" program for each individual drone type.
- **Safe Countermeasure.**
  - Directs the drone to fly back to its starting point or land vertically on the spot in a controller manner.
  - The drone does not drop down – unlike kinetic or net-based systems, which could create casualties and/or property damage if the drone is carrying a dangerous substance or falls on a person or an object .
- **Does not rely on an "arms race" with drone manufacturers.**
  - Unlike cyber-based systems, does not seek to decrypt the connection between the drone and the pilot and take control of the drone.
  - Recent drone connection technologies such as LightBridge used by DJI Phantom 4 are difficult to "hack" and are expected to continue to grow in sophistication.
- **Portable – can be easily carried by a single person.**
- **Long Range.**
  - Over 2km effective range.
- **Gun shape.**
  - Greater appeal to law enforcement and security than a "box with antennas".
  - Directional jamming is more effective/long range than omnidirectional jammers.
  - Does not create an unnecessary jamming in a 360 degree coverage, unlike an omnidirectional jammer.

DRONESHIELD POSITIONING VS COMPETITORS

- Despite a large number of claims of entrants into the drone security sector, **genuine competition is very limited**.
- Much of the purported **competition** is "**vaporware**" – concepts-only or prototypes.
  - DroneShield is currently shipping product.
  - Recently announced product launches are just that – product launches. DroneShield launched its currently available products previously and has a substantial marketing and distribution network lead in the industry.
- **Not competing with prime defence contractors, substantially price-effective.**
  - DroneShield's products are materially cheaper than most competing detection products that are being marketed and are in fact capable of being delivered.
  - Particularly, systems being marketed by larger defence contractors.
  - DroneShield's subscription pricing model further reduces a customer's capital outlay upfront and provides an additional incentive to adopt the product.
  - DroneShield's unique acoustic technology is well positioned to sub-contract to the primes.
- DroneShield is one of the very few providers of **both detection and countermeasures.**
  - Most purportedly competing products, prototypes and ideas provide one but not the other.
  - The effectiveness of detection is limited without countermeasures, and
  - Countermeasures cannot be deployed in most circumstances without drones having first been detected.

DRONESHIELD POSITIONING VS COMPETITORS (CONTINUED)

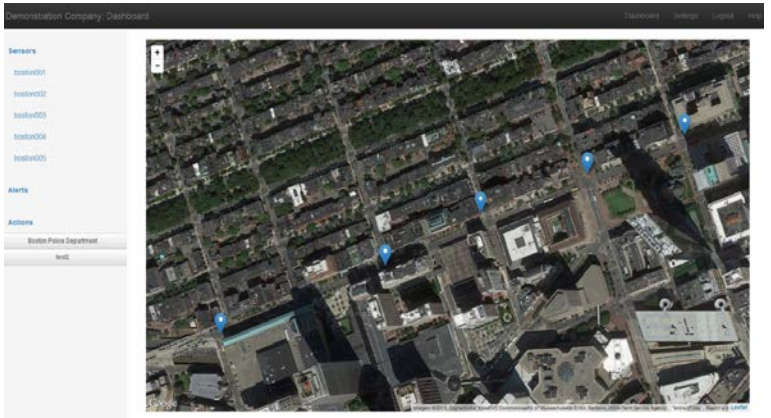
- **Acoustics is a superior technology.**
  - RF detection: legal issues (unlawful to interfere with drones for non-federal users in the U.S.), active system, ineffective on certain types of drones (autopilot), high false alarms (routers, walkie-talkies, etc).
  - Camera: near range (sub 100m), line of sight only, moving background (cars) create inaccuracies.
  - Radar: often cannot detect near range, line of sight only, drones provide poor reflectivity for detection, active system, can be substantially more expensive.
  - DroneShield's products consistently beat the limited competition in head to head trials in technical and operational terms (such as range, effectiveness, low profile, convenience, deployability, false alarm rates).
  - DroneShield's products are not time of day or season-dependent, do not rely on line of sight or visibility, are passive to the environment, and cover major commercial drone models (including frequency hoppers).
- **DroneGun** provides a universal and safe way of defeating drones, and can be easily carried by one person.
- **Global distributor network and brand recognition.**
  - DroneShield's 100 distributors in over 50 countries provide substantial marketing and sector intelligence.
  - We are positioned as the global brand leader in the drone security space, seeing momentum which is continuing to drive strong interest from additional direct and local distribution partners worldwide.
- **DroneShield is an Australian company with meaningful U.S. operations and majority U.S. owners.**
  - A positive factor in the decision-making process by allied country users, especially government users.
  - Many defence-related products developed in the U.S. are subject to U.S. export restrictions/ITAR. DroneShield's products are not.

AN EXAMPLE OF CURRENT DEPLOYMENT – BOSTON MARATHON

- 2015-2017 Boston Marathons.
  - Threat: Hobbyist Drones, Media Drones, and Terrorism.
  - Noisy urban environment.
  - Finish line area located with VIP booths and site of 2013 terrorist attack.

- Rapid Installation and Cloud-Based Monitoring.
  - Sensors mounted on lamp posts.
  - Battery-powered with cloud-based processing.
  - Email distribution list to Boston Police Department.

- Immediate response by Boston Police Department and follow-on prosecution by FAA if needed.



CAPITAL STRUCTURE

CAPITAL STRUCTURE

DroneShield raised A$7 million on the ASX in June 2016, in an oversubscribed offer, through the issue of 35 million shares at A$0.20 per share:

Shareholders	Shares (ASX:DRO)	Listed Options (ASX:DROO)	Performance Shares and Unlisted Options
Shareholders	138,571,046[1]	31,428,954[1]	45,000,000
Options issued to Directors, Management and Advisory Board, and Lead Manager	-	-	25,750,000
Total	**138,571,046**	**31,428,954**	**70,150,000**

Enterprise Value		
DRO shares[1]	A$0.37 / share	A$51m
DROO options[1]	A$0.115c / option	A$3.6m
Cash	As at 31 Mar 2017	(A$3.1m)
Debt	As at 31 Mar 2017	nil
Enterprise Value	Excluding unlisted options	**A$52m**

Notes:
[1] As at 17 April 2017

DroneShield detection system at a prison facility

RECENT KEY DEVELOPMENTS

RECENT KEY DEVELOPMENTS – DRONEGUN LAUNCH

- In late November 2016, DroneShield launched DroneGun, a tactical drone jammer.
  - Added an effective drone countermeasure to DroneShield's suite of drone detection products.
  - Positioned DroneShield as the only company in the world offering both drone detection and handheld rifle-style tactical drone countermeasures.
- DroneShield achieved the first full-priced sale within days of the product release.
  - Hundreds of media articles on DroneShield and DroneGun were published globally.
  - DroneShield's promotional video of the product received over 1.3 million views within first month.
- The Defence Ministry of a Middle Eastern country acquired a DroneGun test unit and is understood to be conducting testing of the product.

Images: DroneGun deployed at the World Economic Forum in Davos in 2017 by the Swiss Police

RECENT KEY DEVELOPMENTS – PRODUCT SALES AND EMERGING THREATS

- In late December 2016, DroneShield achieved high profile, full-price sales of its detection systems, including
  - a substantial sale to the office of Prime Minister of Republic of Turkey, and
  - a sale to a national security agency of a country in Asia.

- The overall government and civil infrastructure demand for drone detection and mitigation products continues to increase.
  - Nearly daily barrage of news about drone threats.

Image: DroneShield's Long Range product

Image: Footage of what is reported to be ISIS' world-first drone bomber

Image: DroneShield at the ISC West conference (5-7 April 2017)

RECENT KEY DEVELOPMENTS – GOVERNMENT PROCUREMENT PROCESSES

- DroneShield and its distributors commenced their participation in a number of government procurement processes, the outcome of which is expected be determined in calendar year 2017.

Image: Image: Recent DroneShield demonstration to Special Forces of a European country (April 2017)

RECENT KEY DEVELOPMENTS – ADVISORY BOARD

- DroneShield continued its engagement with key decision-makers and regulators, utilising, among other things, its high-profile advisory board.

- The calibre of DroneShield's Advisory Board was underscored by the fact that its Advisory Board member Rear Admiral Jay Cohen US Navy (Ret):
  - the former Chief of Naval Research (Chief Technology Officer) of the United States Department of the Navy, and later
  - United States Department of Homeland Security (DHS) Undersecretary for Science and Technology,

  was reported by the press as having met (in his personal capacity, unrelated to the Company) with the then President-Elect Donald Trump and his transition team at Trump Tower on December 2, 2016.

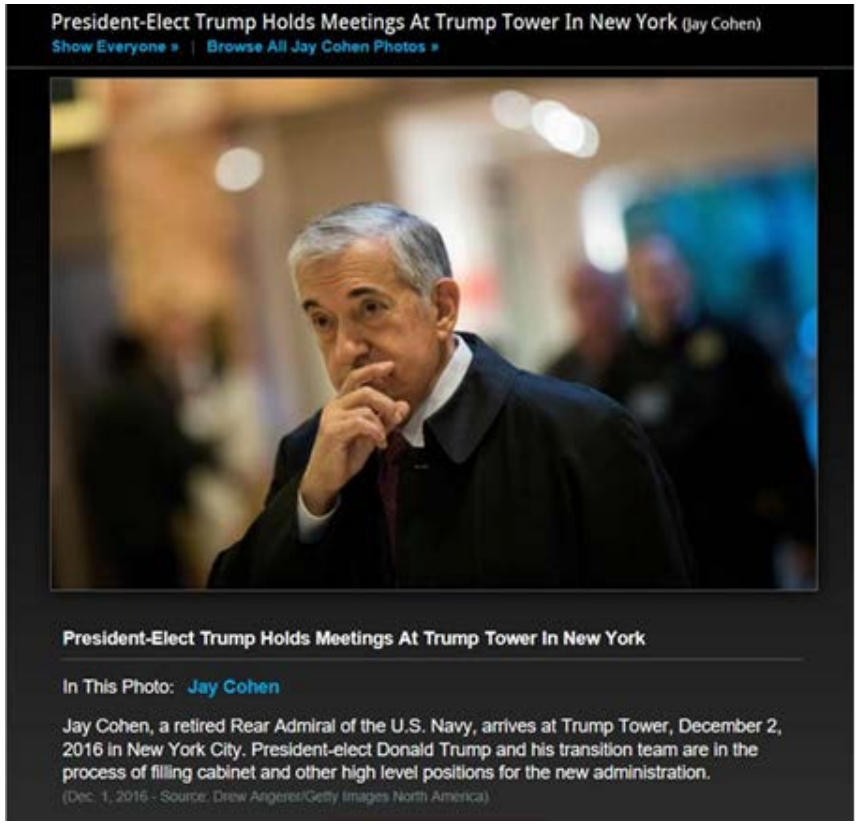


Image: Admiral Jay Cohen (Ret) (DroneShield Advisory Board) at Trump Tower in New York awaiting meeting President-Elect Donald Trump

- In addition to Admiral Cohen, following the presidential election of Donald Trump, Dr. Samantha Ravich, DroneShield's director, participated in the Presidential transition as a member of the Presidential Transition Team.

RECENT KEY DEVELOPMENTS – MEDIA

- Among hundreds of press reports on DroneShield was a report on NBC News' Today show.
  - made the day before President Trump's inauguration,
  - described the danger that drones could pose to crowds and dignitaries at the inauguration,
  - profiled DroneShield, and
  - referenced the fact that the United States Secret Service had deployed secret drone countermeasures at the inauguration.
- DroneShield has also recently appeared on CBS, Fox News, Reuters, Inc and other prominent channels.

Images: DroneGun as appearing on US National Channels NBC and CBS

Image: DroneShield CEO and Managing Director Oleg Vornik interviewed on the national US TV channel FOX News, covering drone threats (April 2017)

RECENT KEY DEVELOPMENTS – PRODUCT DEVELOPMENT ACTIVITIES

- Consistent with the requirements of potential end-users, DroneShield continued its product development activities
  - commenced the development of DroneSentry, an anti-swarming product.

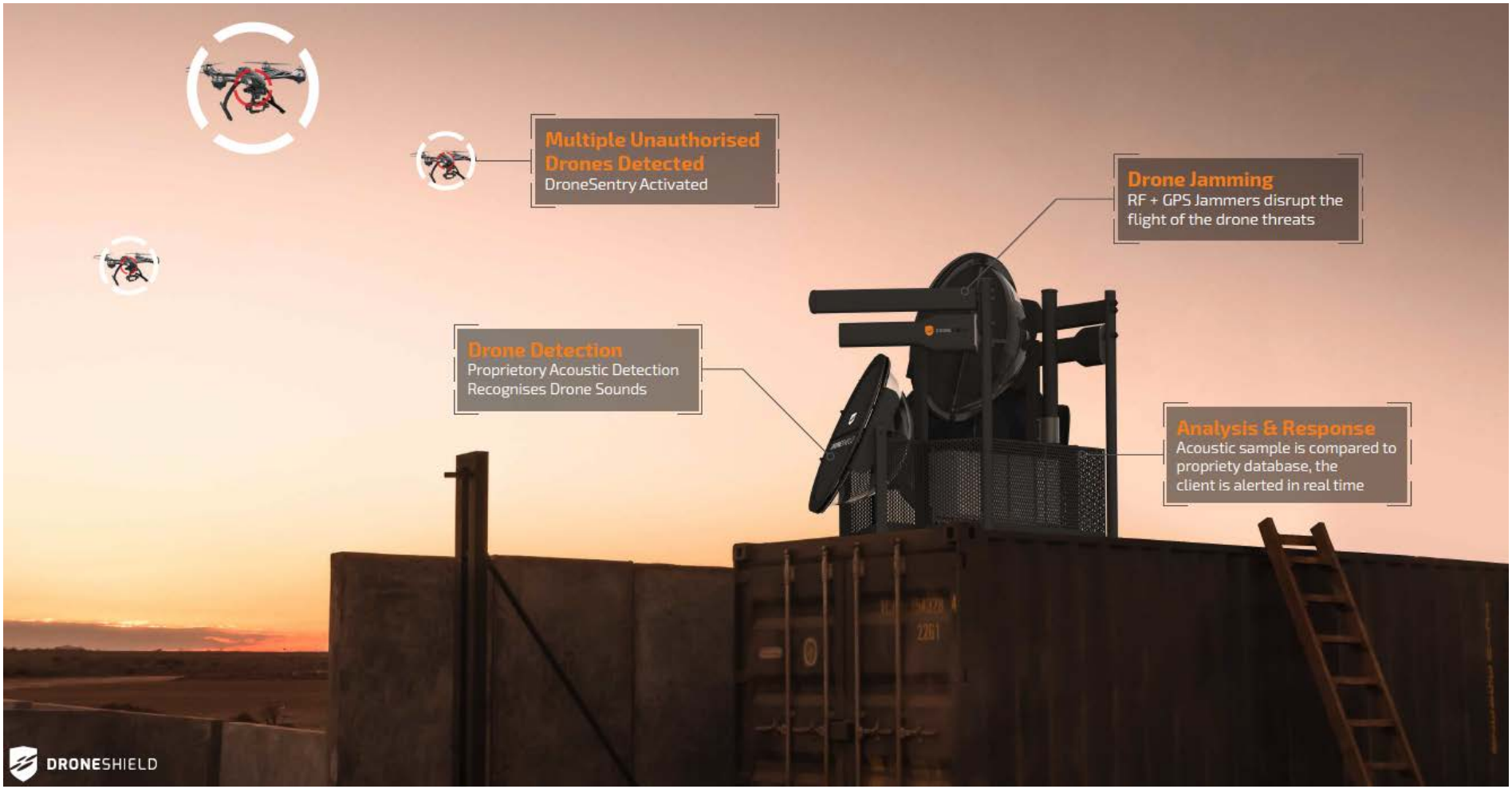


Image: DroneShield's DroneSentry product (artist's rendering)

ENVIRONMENT

- On 15 March 2017, the Australian Transport Safety Bureau released a report titled “Safety Of Remotely Piloted Aircraft Systems (drones)”.
  - The press reported that this report stated that between 2012 and 2016, there were about 180 incidents of drones being too close to aircraft and illustrated the recent growth in this problem by stating that more than 60 per cent of all reported encounters — 108 incidents — happened in 2016.
  - The report was also reported to have stated that statistical models forecast a 75 per cent rise in the number of near encounters in 2017 and that most incidents happened in capital cities and almost all were above the allowed altitude for drones of 400ft (122m).

- Similarly, the US FAA stated that between February 2016 and September 2016, pilots, air traffic control, law enforcement and members of the public reported possibly spotting 1,274 drones flying near air traffic control facilities — up from 874 during the same period in 2015.

- In late March, Australian aviation authorities were reported to be investigating claims a drone came dangerously close to a Singapore Airlines Airbus 350 plane as it flew above the Swan River in Perth.

- Another complaint was made by a Virgin pilot, after a drone reportedly came within 100 metres of the pilot’s aircraft as it approached Canberra.

Image: Prince William’s air ambulance was reported to have come within half a second of a catastrophic mid-air collision with a drone (March 2017)

ENVIRONMENT (CONTINUED)

- ISIS continued to utilise off-the shelf drones as time bombs in both Iraq and Syria, escalating these tactics in areas in which they had come under attack by the coalition forces. These attacks are reported to have prompted the US military to step up its assessment of anti-drone technologies.

- On 13 February 2017, the high profile intelligence analytics firm Stratfor, in its report on drone terror threats, under the heading Preparing for the Inevitable stated that it was only a matter of time before an Islamic State supporter attempted a drone attack in the West.

- The shortcomings of the defense systems previously utilized by the Western militaries, against the growing drone threat, were illustrated by General David Perkins, the head of the United States Army Training and Doctrine Command, who told the audience at an Association of the US Army event, that one of the US allies had successfully used a US$3.4 million Patriot missile to destroy a quadcopter drone estimated to cost $200.

- The Office of the US Secretary of Defense was reported as having stated on March 22, 2017 that the upcoming budget proposal for fiscal year 2018 would include "significant" increases for counter-drone technology.

Image: The wreckage of a crashed drone is seen on a mountain on April 6, 2014 in Samcheok, South Korea. Three drones, believed to be North Korean, have been found in South Korea. North Korea is reportedly in possession of about 1,000 drones that can carry a deadly payload, according to a South Korean state-run think-tank.

APPENDICES

BIOGRAPHIES | MANAGEMENT

Oleg Vornik, Chief Executive Officer and Managing Director

An experienced financier with investment banking and treasury experience at the Royal Bank of Canada, Leighton Contractors, Brookfield, Deutsche Bank and ABN AMRO.

Mr. Vornik was the Chief Financial Officer of DroneShield prior to the CEO and MD appointment. Prior to DroneShield, he was an investment banker with the Sydney office of the Royal Bank of Canada, and held roles with Brookfield Asset Management, Deutsche Bank and ABN AMRO in Australia and New Zealand as well as the position of a Treasurer at Leighton Contractors.

Mr. Vornik holds a BSci (Mathematics) and BCom (Hons) from University of Canterbury, New Zealand and has completed a business program with Columbia University in New York.

Claire Newey, Chief Financial Officer

An experienced Chartered Accountant with 12 years of international financial reporting, management and advisory experience, across public and private companies spanning various industries.

Prior to joining DroneShield, Ms. Newey was Group Finance Manager with GrainCorp (ASX 100). She has previously worked at Deloitte (Sydney and London) as a Director and with global chemical group Adama, as Chief Financial Officer for Switzerland and European Financial Controller.

BIOGRAPHIES | MANAGEMENT

Bill Taggart, Vice President Business Development

Mr. Taggart has an extensive experience in establishing and growing military and law enforcement products in the US and globally. Prior to his commercial career, Mr. Taggart has served in the U.S. Marine Corps for 26 years.

Mr. Taggart was previously a Director at Colt's Manufacturing Company and Director (Military and Law Enforcement) at Trijicon, Inc. where he was responsible for all domestic military/government programs and all global commercial and military efforts.

During his tenure at Trijicon, Mr. Taggart grew his division from one to 17 personnel while establishing offices in four foreign countries. During Mr. Taggart's tenure, Trijicon's annual sales increased from US$17M to US$130M.

Josh Desmond, Vice President Sales

Mr. Desmond brings over 15 years of experience in business management, sales, and operations. Mr. Desmond has extensive experience working with law enforcement and government agencies, at the local, state, and federal levels.

Mr. Desmond's career began as a federal law enforcement officer. After a short time, he transitioned into a role within the intelligence community where he spent most his career as a targeting officer, serving TDY's in two different warzones.

After his time in the intelligence community, Mr. Desmond then worked for an organization where he was responsible for development and growth of the Public Safety vertical for over half of the United States. Most recently Mr. Desmond was the Director of Sales for a company providing innovative software and SaaS fleet management solutions serving the transportation sector.

Stuart Taylor, Vice President Sales

An accomplished sales leader and business development manager, Mr. Taylor is skillful in translating the value of technology solutions to new markets and clients. He has extensive experience with all facets of IT technology and solutions.

Mr. Taylor has started his career as a NSW Police officer, spending the majority of his time on the Force as a Detective Sergeant investigating major crime and organised crime. He has been awarded the National Medal, the Australian Police Service Medal and two Commissioners Commendations.

Following the Police career, Mr. Taylor has been 20 years in the Information Technology industry for 20 years, spanning across Apple and Adobe Systems as well as more niche companies such as Cornerstone.

BIOGRAPHIES | MANAGEMENT

Simon Woodward, Chief Technology Officer

A diverse engineering skillset, with leadership experience in large scale technological implementation projects across hardware and software platforms.

Mr. Woodward previously held a number of high profile technical and engineering roles in communications and banking industries in Australia and Europe. He was also the founder of several businesses including Wholesale Communications Group, which rapidly become the largest non-retail telecommunications provider in Australia before being acquired by ASX-listed M2 Group Limited (ASX:MTU). Simon's previous projects included leading the architecture and implementation of a nation-wide telecommunication network across the challenging landscape of the Solomon Islands, and development and support of large scale transactional processing engines handling billions of records a day. Simon has studied Material Engineering, Physics, IT and Computer Science at the University of Wollongong. Simon is certified in PRINCE2 project management.

Anand Sundaraj, Company Secretary

Mr. Sundaraj is a Principal and Solicitor Director of Whittens & McKeough Lawyers and Consultants, with prior positions at law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse. He is the company secretary of several ASX listed companies.

Anand specializes in mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including ASX Listing Rules compliance.

Prior to joining Whittens, Anand worked for international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse.

Anand is the author of "Listed Companies: ASX Listing Rules" in Australian Corporation Practice, published by LexisNexis Butterworths.

BIOGRAPHIES | DRONESHIELD BOARD

Peter James, Independent Non-Executive Chairman

Mr. James has over 30 years' experience in the Technology, Telecommunications and Media Industries, and has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies. He is currently Chair of ASX-listed companies Macquarie Telecom and nearmap.

Mr. James has recently completed 12 years as a Non-Executive Director for ASX-listed iiNet, Australia's second largest DSL Internet Services Provider, chairing iiNet's Strategy and Innovation Committee. iiNet was recently been acquired by TPG Telecom for AUD $1.56b.

He travels extensively reviewing innovation and consumer trends primarily in the US and also Asia and he is a successful investor in a number of Digital Media, e-commerce and Technology businesses in Australia and the US.

Mr. James is an experienced business leader with significant strategic and operational expertise. He is a Fellow of the Australian Institute of Company Directors, a Member of the Australian Computer Society and holds a BA Degree with Majors in Computer Science and Business.

Oleg Vornik, Chief Executive Officer and Managing Director

An experienced financier with investment banking and treasury experience at the Royal Bank of Canada, Leighton Contractors, Brookfield, Deutsche Bank and ABN AMRO.

Mr. Vornik was the Chief Financial Officer of DroneShield prior to the CEO and MD appointment. Prior to DroneShield, he was an investment banker with the Sydney office of the Royal Bank of Canada, and held roles with Brookfield Asset Management, Deutsche Bank and ABN AMRO in Australia and New Zealand as well as the position of a Treasurer at Leighton Contractors.

Mr. Vornik holds a BSci (Mathematics) and BCom (Hons) from University of Canterbury, New Zealand and has completed a business program with Columbia University in New York.

BIOGRAPHIES | DRONESHIELD BOARD

Dr. Samantha Ravich, Independent Non-Executive Director

Dr. Samantha Ravich is the former Deputy National Security Advisor for Vice President Cheney and served in the White House for 5½ years where she was the Vice President's representative on Asian and Middle East Affairs as well as on Counter-Terrorism and Counter-Proliferation. Dr. Ravich was an early angel investor in DroneShield.

Following her time at the White House, Dr. Ravich was the Republican Co-Chair of the Congressionally-mandated National Commission for Review of Research and Development Programs in the United States Intelligence Community. Dr. Ravich is now the CEO of A2P, a social data analytics firm, as well as the Principal Investigator on the recently released monograph, "Cyber-Enabled Economic Warfare: An Evolving Challenge." She also serves as an advisor to The Chertoff Group and Freedom Capital Investment Management. She received her Ph.D. in Policy Analysis from the RAND Graduate School and her MCP/BSE from the University of Pennsylvania/Wharton School. Her book, "Marketization and Democracy: East Asian Experiences," (Cambridge University Press) is used as a basic textbook in international economics, political science, and Asian studies college courses. Ravich is member of the Council on Foreign Relations, serves as an advisor to the US Intelligence Community. Dr. Ravich is a frequent keynote speaker on international security, cyber, and the future of intelligence.

Robert Clisdell, Non-Executive Director

Mr. Clisdell is based in Sydney and is the Vice-President at Bergen Capital (Australia) Ltd, an affiliate of the Company's largest shareholder.

Prior to Bergen, Mr. Clisdell led the middle market corporate advisory practice for Credit Suisse's Private Bank in Melbourne. Prior to Credit Suisse, Mr. Clisdell was an M&A banker with Caliburn Partnership (now Greenhill & Co.) in Sydney, and worked in Equity Capital Markets at Ord Minnett Corporate Finance. Mr Clisdell began his career with Arthur Anderson and qualified as a Chartered Accountant in 2005. He holds a Bachelor of Commerce from the University of Sydney and a Graduate Diploma in Applied Finance from FINSIA.

BIOGRAPHIES | DRONESHIELD ADVISORY BOARD

Hon. Jay M. Cohen, Rear Admiral, United States Navy (Ret.), Member

Admiral Jay M. Cohen is a former Chief of Naval Research (United States Navy) and has served as the Department of the Navy Chief Technology Officer.

Admiral Cohen is a graduate of the United States Naval Academy and holds a joint Ocean Engineering degree from Massachusetts Institute of Technology (MIT) and Woods Hole Oceanographic Institution and Master of Science in Marine Engineering and Naval Architecture from MIT. Earlier in his career, he commanded USS Hyman G. Rickover and served on the U.S. Atlantic Fleet before commanding the submarine tender USS L.Y Spear including a deployment to the Persian Gulf in support of Operation Desert Storm.

Admiral Cohen was promoted to the rank of Rear Admiral in 1997 and reported to the Joint Staff as Deputy Director for Operations responsible to the President and Department of Defense leaders for strategic weapons release authority. In June 2000, he became the 20th Chief of Naval Research. He served during the war as the Department of the Navy Chief Technology Officer, responsible for the $2B+/year Navy and Marine Corps Science and Technology (S&T) Program. Unanimously confirmed by the US Senate, he was sworn in as Under Secretary for Science & Technology at the Department of Homeland Security in 2006. Since leaving government, Admiral Cohen serves on corporate boards and is an independent consultant for science and technology in support of U.S. and international defence, homeland security and energy issues and solutions.

Carol A. Haave, Member

Carol A. Haave is the former Assistant Secretary for International Affairs at the Department of Homeland Security and the former Deputy Undersecretary of Defence for Counterintelligence and Security.

She has more than 25 years of working directly with cabinet-level officials providing defence, security, intelligence, counterintelligence and technology advice, and is noted for adapting commercial technology and innovative programs to benefit the military and security officials involved in conflict situations. Responsible for Homeland Security's relationships with all foreign countries, Ms. Haave was directly involved in successful efforts to identify, disrupt and respond to terrorist and other security threats to the United States and its forces. She was the Operations Manager for a $125 million/year program that built a commercial communications, command and control, and information management system deployed to 33 sites throughout Europe to include Bosnia, along with the first deployment of the Predator UAV that ensured military leaders were privy to the same operational information and intelligence simultaneously.

As a senior Homeland Security official, Ms. Haave has significant experience with U.S. Borders, Customs and all Homeland Security departments. As a senior official at Defence and Homeland Security, she developed and maintains significant international contacts. Carol has over a decade of DARPA experience, including technology transition and information management. She has served as a Management Analyst at NASA and an Inspector at Summa Corporation.

BIOGRAPHIES | DRONESHIELD ADVISORY BOARD

Lieutenant General Robin Brims (Ret.) CB CBE DSO, Member

General Brims became Commander of the UK Field Army in 2005. He deployed to Baghdad in 2005 to be the Deputy to the Coalition Commander General George Casey.

Earlier in his career, General Brims was Chief of Staff at Headquarters Northern Ireland and Director Army Plans and Resources in UK Ministry of Defence. In 2000 he was appointed Commander of the Multi-national Division (South West) in Bosnia and in 2001 became General Officer Commanding 1st (UK) Armoured Division which took part in the invasion of Iraq. For his service in Iraq he was awarded the Distinguished Service Order. On leaving Iraq became Deputy Chief of Joint Operations at UK's Permanent Joint Headquarters, before becoming Commander of the UK Field Army in 2005 and deploying to Baghdad for most of 2005 to be the Deputy to the Coalition Commander, General George Casey. On retirement in 2007 he became Rector (Vice-Chancellor) of the University of Kurdistan-Hawler in Northern Iraq. His task was to reorganize the University to make it fit international standards. He handed over to an academic in late 2009 and returned to live in UK. He was appointed Chairman North of England Reserve Forces and Cadets Association in April 2010, and Chairman Council of RFCAs in December 2011. In 2012 he was appointed by the UK Secretary of State for Defence to be Chairman of the External Scrutiny Team which is tasked with reporting on the UK MOD's plan to expand the Reserves.

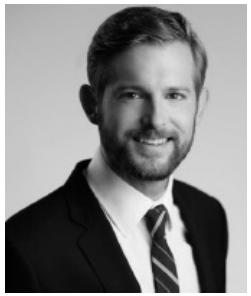
Robert Hill, AC, Member

Mr. Hill is a former Australian Minister for Defence.

He was a member of the Australian Senate from 1981 to 2006, representing South Australia. He was educated at the University of Adelaide and the London School of Economics, where he gained a Master's degree in Law. Mr. Hill was Leader of the Government in the Australian Senate from March 1996 until his resignation in January 2006. He was Australian Minister for the Environment 1996-98, Minister for the Environment and Heritage 1998-2001 and Minister for Defence from November 2001 to January 2006. In July 2005 the Coalition parties took control of the Australian Senate and Mr. Hill became the first Government Leader in the Senate since 1981 to command a majority in the chamber. In January 2006 he announced his resignation from the Parliament. Mr. Hill was Australian Ambassador to the United Nations for Australia from 2006 - 2009. In July 2009, he was appointed by Prime Minister Kevin Rudd as Chairman of the Australian Carbon Trust. In June 2012, he was awarded a Companion of the Order of Australia.

BIOGRAPHIES | FOUNDERS

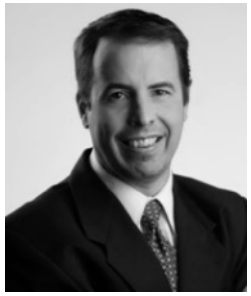
John Franklin, Chief Scientific Officer



Mr. Franklin holds a M.Sc. in Applied and Computational Math from Johns Hopkins University.

Previously, he was a member of the research staff at the Air and Missile Defense Sector at Johns Hopkins University Applied Physics Laboratory, and Adjunct Research Associate (Science and Technology Division) at the Institute for Defense Analyses.

Dr. Brian Hearing, Vice President (Research & Development)



Most recently prior to DroneShield, Dr. Hearing worked for the Office of Director of National Intelligence as a staff member at the National Commission for Review of R&D Programs of the United States Intelligence Community and Deputy Director (Intelligence, Surveillance and Reconnaissance) at the United States National Geospatial-Intelligence Agency.

Prior to that, he worked as Program Manager – Sensors Systems Business Unit at BBN Technologies (now Raytheon) and Program Manager – Strategic Technology Office at Defense Advanced Research Projects Agency (DARPA). Dr. Hearing holds a Ph.D. from Massachusetts Institute of Technology and has authored or co-authored over 25 classified and unclassified papers and documents, including:

- DARPA/STO BAA 07-52, “Scalable Network Monitoring,” FedBizOpps.gov, 2007,
- DARPA/ATO BAA 06-16, “Strategically Hardened Facility Defeat,” FedBizOpps.gov, 2006,
- B. Hearing, J. Brinkerhoff, F. Frank, N. Gluck, R. Murch, “Technology Transition: Selected Approaches from Government to Industry,” IDA Document D-2996, 2005,
- B. Hearing, V. Andrews, J. Biddle, J. Buxe, O. Oberg, A. Stone, J. Teichman, “Error Propagation in Biomolecular Computation Processes,” IDA Document D-3023, 2004,
- Co-author, “Energy Storage for Pulsed-Power in Future Military Systems,” JASON Report JSR-03-135, 2003,
- Co-author, “Tactical Infrasound,” JASON Report JSR-03-520, 2003,
- Co-author, “Cruise Missile Defense,” JASON Report JSR-03-140, 2003, and
- B. Hearing and T. Schilling, “Issues in ABL Lethality,” IDA Document D-2704, 2001.

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