



8 August 2019

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

DroneShield Limited (ASX:DRO)
NOTICE UNDER ASX LISTING RULE 3.10.5A

Following the announcement by DroneShield Limited (**Company**) on 2 August 2019, the Company is pleased to confirm that it has completed the \$9.55m placement (before costs) to institutional, professional and sophisticated investors (**Placement**).

Pursuant to the Placement, the Company issued 19,337,877 fully paid ordinary shares (**New Shares**) at an issue price of \$0.20 per New Share by utilising the Company's existing capacity under ASX Listing Rule 7.1A, and the Company issued 28,412,123 New Shares at an issue price of \$0.20 per New Share by utilising the Company's existing capacity under ASX Listing Rule 7.1. Accordingly, the Company provides the following supplementary information as required by ASX Listing Rule 3.10.5A.

1. The dilution to the existing holders of fully paid ordinary shares of the Company is as follows:

Description	Number of Shares	Dilution
Fully paid ordinary shares prior to issue of New Shares	193,378,776	n/a
New Shares issued under ASX Listing Rule 7.1	28,412,123	11.78%
New Shares issued under ASX Listing Rule 7.1A	19,337,877	8.02%

2. The New Shares were issued for cash consideration and resulted in the Company raising \$9.55m (before costs). The Company considered that the Placement was the most efficient manner to raise funds for present purposes. The Company notes that the Company undertook an SPP last year which completed in November 2018.
3. The New Shares were issued to institutional, professional and sophisticated investors.
4. The Placement was not underwritten.
5. Fees in connection with the Placement paid or payable are \$648,000 (excluding GST) and, subject to shareholder approval, the issue of 10,000,000 options (refer to the 2 August 2019 announcement for further details).

For more information, please contact the undersigned on (+61) 2 8072 1400.

Dean Jagger
Company Secretary
DroneShield Limited