

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	DroneShield Limited
ABN	26 608 915 859

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Peter James
Date of last notice	5 July 2021

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Indirect interest in the name of Christie James Funds Management Pty Ltd held by Bond Street custodians.
Date of change	16 August 2021
No. of securities held prior to change	3,452,522 fully paid ordinary shares. 397,500 unlisted and unvested zero exercise price options, vesting if certain performance milestones are met, each exercisable at \$0.00 per option, expiring on 30 November 2022. 265,000 unlisted and unvested employee options (being the Class Q Options), vesting (in equal tranches) on 30 November 2021 and 30 November 2022, each exercisable at \$0.65 per option expiring on 30 June 2023. 6,600,000 unlisted and unvested zero exercise price options, vesting if certain performance milestones are met, each exercisable at \$0.00 per option, expiring on 31 August 2024.

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Class	6,600,000 unlisted and unvested zero exercise price options, vesting if certain performance milestones are met, each exercisable at \$0.00 per option, expiring on 31 August 2024.
Number acquired	6,600,000 fully paid ordinary shares upon exercise of unlisted and vested zero exercise price options.
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil consideration
No. of securities held after change	10,052,522 fully paid ordinary shares. 397,500 unlisted and unvested zero exercise price options, vesting if certain performance milestones are met, each exercisable at \$0.00 per option, expiring on 30 November 2022. 265,000 unlisted and unvested employee options (being the Class Q Options), vesting (in equal tranches) on 30 November 2021 and 30 November 2022, each exercisable at \$0.65 per option expiring on 30 June 2023.
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Acquisition of 6,600,000 fully paid ordinary shares upon exercise of unlisted and vested zero exercise price options.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A

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Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.