

Advisor Engaged for Potential Canadian Dual Listing

Drone Safety Systems company, **ParaZero Limited (ASX: PRZ) (ParaZero or the Company)** advises that it has engaged the services of FMI Capital Advisory Inc. (**FMI Advisory**) as its Canadian financial consultant in connection with a transaction or transactions, whereby the Company is considering seeking a dual listing of its shares on a Canadian stock exchange.

The Offer

Foundation Markets Inc. (**FMI**), a Toronto-based exempt market dealer, has been appointed as an exclusive financing agent to complete a private placement of up to 1,000 units of unsecured convertible debentures with a face value of CAD\$1,000 for aggregate gross proceeds up to CAD\$1,000,000 or an amount mutually agreed (**Offering**).

Under the terms of the Offering each debenture will be convertible into common shares of the Company at any time at the option of the holder and automatically upon completion of the Company being listed on a Canadian stock exchange at a fixed price of CAD\$0.09 per Common Share.

In addition, each \$1,000 face value unit will receive 5,555 non-transferable common share purchase warrants (each, a "Warrant") with each Warrant exercisable into Common Shares at a price of CAD\$0.10 (the "Exercise Price") for a period earlier of: i) 60 months from the Closing Date; and ii) 24 months from the time the company completes the Canadian Listing.

The Company expects to be able to issue these convertible debentures, together with the shares and warrants issuable on conversion under the Company's currently available Listing Rule 7.1 placement capacity.

Fees and Termination Clauses

Pursuant to the engagement letters with both FMI and FMI Advisory and in addition to any cash fees, the Company will issue the following securities:

- Warrants equal to 7% of the securities issued under the Offering. These Warrants will be exercisable at a price of CAD\$0.09 into one Common Share of the Company and will be exercisable at any time until the earlier of (i) 60 months from the Closing Date, and (ii) 24 months from the completion of a listing of the common shares of the Company on a Canadian Stock Exchange or quotation system; and
- Common Shares of 2.5% of the Company's issued share capital as quoted on the ASX prior to successful completion of the listing of the Company's shares on a Canadian Stock Exchange. The issue of these securities will be subject to the Company complying with the Listing Rules at the time of issue of these Common Shares.

The agreement with FMI Advisory can be terminated by the Company prior to the closing of the Offering by giving thirty (30) days written notice to the other party or at any time after December 31, 2019, if the Going Public Transaction has not been completed.

The agreement with FMI shall terminate automatically on 15 October 2019. FMI or the Company may terminate the Agreement prior to the closing of the Offering by giving thirty (30) days written notice in writing to the other party.

Dual Listing

The purpose of the engagement of FMI is to guide the Company through its consideration of a potential dual listing of the Company on a Canadian stock exchange. It is the current intention of the Board to remain listed on the Australian Securities Exchange with a dual listing in Canada. The Company cautions investors however that there can be no certainty that the proposed Canadian listing will proceed as the Board continues to consider the benefits and costs of such a transaction. Investors should note that any listing in Canada would be subject to satisfaction of all legal and regulatory requirements for the chosen Canadian exchange, as well as any shareholder approvals that may be required under the ASX Listing Rules.

-ENDS-

For more information, please contact:

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About ParaZero Limited

ParaZero (www.parazero.com) was founded in 2014 to accomplish a vision to enable the drone industry to realise its greatest potential. ParaZero offers a smart and intuitive solution to enable drone industry growth by designing, developing and providing best-in-class autonomous safety systems for commercial drones.