

**DRONE USA, INC.**

*Financial Statements*

*June 30, 2016*

# DRONE USA, INC.

*Table of Contents*  
*June 30, 2016*

---

## PAGE

### **FINANCIAL STATEMENTS - Unaudited**

Balance Sheet.....	1
Statement of Operations .....	2
Statement of Changes in Stockholders' (Deficiency) .....	3
Statement of Cash Flows.....	4

<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>5-10</b>
--	-------------

# DRONE USA, INC.

Balance Sheet - Unaudited  
June 30, 2016

---

## ASSETS

### Current Assets

Cash and cash equivalents	\$ 1,545
Prepaid expenses and other current assets	<u>12,500</u>

**Total Assets** **\$ 14,045**

## LIABILITIES AND STOCKHOLDERS' (DEFICIENCY)

### Current Liabilities

Accounts payable and accrued expenses	\$ 50,225
Line of credit	50,042
Note payable - related party	558,878
Deferred rent	<u>7,500</u>

**Total Current Liabilities** 666,645

### Other Liabilities

Due to stockholder	<u>12,000</u>
--------------------	---------------

**Total Liabilities** 678,645

### Stockholders' (Deficiency)

Series A Preferred Stock - \$0.0001 par value, 250 shares authorized, issued, and outstanding	-
Preferred stock - \$0.0001 par value, 4,999,750 shares authorized, none issued, and outstanding	-
Common stock - \$0.0001 par value, 200,000,000 shares authorized, 40,841,517 shares issued and outstanding	4,084
Accumulated deficit	<u>(668,684)</u>

**Total Stockholders' (Deficiency)** (664,600)

**Total Liabilities and Stockholders' (Deficiency)** **\$ 14,045**

# **DRONE USA, INC.**

*Statement of Operations - Unaudited  
For the Six Months Ended June 30, 2016*

---

<b>Revenues</b>	\$ -
<b>Operating Expense</b>	
General and administrative	<u>428,991</u>
<b>Net (Loss) Before Other Expense</b>	(428,991)
<b>Other Expense</b>	
Interest	<u>(14,432)</u>
<b>Net (Loss)</b>	<u>\$ (443,423)</u>
<b>Basic and Diluted (Loss) Per Share</b>	<u>(0.01)</u>
<b>Weighted Average Number of Common Shares Outstanding - basic and diluted</b>	<u>40,231,040</u>

# DRONE USA, INC.

## Statement of Changes in Stockholders' (Deficiency) - Unaudited For the Six Months Ended June 30, 2016

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Total Stockholders' (Deficiency)
	Shares	Amount	Shares	Amount			
<b>Balance</b> - January 1, 2016	250	\$ -	36,702,116	\$ 3,670	\$ -	\$ (225,261)	\$ (221,591)
Net (loss)	-	-	-	-	-	(53,438)	(53,438)
<b>Balance</b> - January 25, 2016	250	-	36,702,116	3,670	-	(278,699)	(275,029)
Issuance of common stock for acquisition	-	-	4,139,401	414	-	-	414
Net (loss)	-	-	-	-	-	(389,985)	(389,985)
<b>Balance</b> - June 30, 2016	<u>250</u>	<u>\$ -</u>	<u>40,841,517</u>	<u>\$ 4,084</u>	<u>\$ -</u>	<u>\$ (668,684)</u>	<u>\$ (664,600)</u>

# DRONE USA, INC.

*Statement of Cash Flows - Unaudited  
For the Six Months Ended June 30, 2016*

---

## ***Cash Flows from Operating Activities***

Net (loss)	\$ (443,423)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:	
Issuance of common stock for acquisition	414
Changes in operating assets and liabilities:	
<i>(Increase) in operating assets:</i>	
Prepaid expenses and other current assets	(11,285)
<i>Increase in operating liabilities:</i>	
Accounts payable and accrued expenses	50,225
Deferred rent	<u>7,500</u>
	<u>(396,569)</u>

## ***Cash Flows from Financing Activities***

Proceeds from line of credit	50,042
Proceeds from note payable - related party	336,072
Advances from stockholder	<u>12,000</u>
	<u>398,114</u>

***Net Increase in Cash and Cash Equivalents*** 1,545

***Cash and Cash Equivalents - beginning*** -

***Cash and Cash Equivalents - end*** \$ 1,545

## ***Supplemental Disclosures of Cash Flow Information***

Cash paid for:	
Interest	<u>\$ 270</u>

# DRONE USA, INC.

*Notes to Financial Statements*  
*June 30, 2016*

---

## 1 - ORGANIZATION

On January 26, 2016, Texas Wyoming Drilling, Inc., a company trading on the Over-the-Counter Markets, acquired 100% of the outstanding membership interests of Drone USA, LLC. Pursuant to the merger, the sole member of Drone USA, LLC received 36,702,116 shares of Texas Wyoming Drilling, Inc. common stock. As a result of this merger, the former sole member of Drone USA, LLC owned approximately 90% of the outstanding common stock of Texas Wyoming Drilling, Inc. immediately following the merger. In connection with the merger the name of the company was changed from Texas Wyoming Drilling, Inc. to Drone USA, Inc. (the "Company"). In connection with the merger, effective January 26, 2016, the Company accepted the resignation of the former Chief Executive Officer and any remaining former officers and directors, and appointed a new Chief Executive Officer, President, Chairman, and board member and a new Chief Financial Officer, Secretary, Treasurer, and board member.

The transaction has been accounted for as a reverse merger in which Drone USA, LLC is considered to be the acquirer of Texas Wyoming Drilling, Inc. Accordingly, the reverse merger was accounted for as a recapitalization in which (i) the assets and liabilities of Drone USA, LLC were recorded at their historical book values, (ii) the common stock and additional paid-in capital accounts which replaced Drone USA, LLC's member interests were retroactively restated to give effect to the exchange of the Drone USA, LLC member interests for Texas Wyoming Drilling, Inc. common stock, and (iii) the historical member deficit of Drone USA, LLC was recorded as stockholders' (deficiency). There were no assets, liabilities, or equity to be accounted for related to the former operations of Texas Wyoming Drilling, Inc. In connection with the merger, the former stockholders of Texas Wyoming Drilling, Inc. were issued 4,139,401 shares of common stock to effectuate the transaction. Furthermore, the financial statements set forth in this report for all periods prior to January 26, 2016 are the financial statements of Drone USA, LLC.

The Company plans to become a primary developer, manufacturer, and distributor of unmanned aerial vehicles ("UAV") to public safety, government, and commercial customers worldwide. The Company recognizes gaps and underserved segments in the rapidly growing UAV markets and plans to offer professional grade solutions at a lower cost than what is available today. The Company will do so by licensing, partnering, or acquiring superior UAV technologies and will combine them with the Company's global sales capabilities and access to top UAV experts. The Company will also pursue strategic acquisitions that will provide immediate revenues and synergies to the Company's mission. The Company's headquarters are located at One World Trade Center in New York City, New York.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies is as follows:

- a. **Basis of Presentation** - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").
- b. **Cash and Cash Equivalents** - Cash equivalents consist of liquid investments with maturities of three months or less at the time of purchase. There are no cash equivalents at the balance sheet date.
- c. **Property and Equipment** - Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 7 years. Upon disposition of assets, the related cost

and accumulated depreciation and amortization is eliminated, and any gain or loss is included in the statement of operations. Expenditures for major improvements are capitalized. Maintenance and repairs are expensed as incurred.

- d. **Revenue Recognition** - Revenues from product sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred based upon terms established with the customer, the price is fixed or determinable, and collectibility is reasonably assured. Revenue is typically recognized upon shipment of the ordered goods to the customer. Sales are recorded net of discounts, returns, and price adjustments.
- e. **Income Taxes** - The Company follows the accounting for uncertainty in income taxes guidance, which clarifies the accounting and disclosures for uncertainty in income taxes recognized in the Company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return.

As of June 30, 2016, the Company's tax returns for the tax years 2015, 2014, and 2013 remain subject to audit, primarily by the Internal Revenue Service.

The Company did not have material unrecognized tax benefits as of June 30, 2016 and does not expect this to change significantly over the next 12 months. The Company will recognize interest and penalties accrued on any unrecognized tax benefits as a component of provision for income taxes.

- f. **Fair Value Measurements** - The Company follows the FASB *Fair Value Measurements*, as they apply to its financial instruments. This standard defines fair value, outlines a framework for measuring fair value, and details the required disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The standard establishes a hierarchy in determining the fair value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. Level 1 inputs include quoted market prices for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. The standard requires the utilization of the lowest possible level of input to determine fair value.

- g. **Deferred Rent** - The Company leases office space in New York City. The operating lease agreements contain provisions for future rent increases, or periods in which rent payments are reduced (abated). In accordance with GAAP, the Company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to *deferred rent*, which is reflected as a separate line item on the accompanying balance sheet.
- h. **Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



- i. **Net (Loss) Per Share** - Basic loss per share is calculated by dividing the loss attributable to stockholders by the weighted-average number of shares outstanding for the period. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings (loss) of the Company. Diluted loss per share is computed by dividing the loss available to stockholders by the weighted average number of shares outstanding for the period and dilutive potential shares outstanding unless such dilutive potential shares would result in anti-dilution. The Company does not have any potentially dilutive instruments for the period reported.
- j. **Related Party Transactions** - All transactions with related parties are in the normal course of operations and are measured at the exchange amount.
- k. **Recent Accounting Pronouncements** - The Company does not believe that any recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

### **3 - INCOME TAXES**

The Company recognizes deferred tax assets and liabilities for the tax effects of differences between the financial statements and tax basis of assets and liabilities. A valuation allowance is established to reduce the deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

As of June 30, 2016, the Company has net operating loss carryforwards of approximately \$390,000 to reduce future taxable income through 2036. A valuation allowance for the entire deferred tax benefit has been established as of June 30, 2016.

### **4 - LINE OF CREDIT**

The Company has a revolving line of credit with a financial institution. This revolving line of credit is in the amount of \$50,000, and is personally guaranteed by the Company's Chief Executive Officer ("CEO"). The loan bears interest at a fluctuating rate equal to the prime rate, currently 3.50%, plus 4.25%. As of June 30, 2016, the balance of the line of credit is approximately \$50,000.

### **5 - CONVERTIBLE NOTE PAYABLE**

The Company has an \$840,000 convertible note payable (the "Note") with an entity controlled by the Company's CEO. The Note bears interest at an annual rate of 7% with a maturity date of June 1, 2017, at which time all unpaid principal and interest is due. The holder of the Note has the option to convert the outstanding principal and accrued interest, in whole or in part, into shares of common stock at a conversion price equal to the volume weighted average price per share of common stock for the 30-day period prior to conversion. As of June 30, 2016, the note payable has not been converted and the balance of the note is approximately \$560,000.

### **6 - DUE TO STOCKHOLDER**

Due to stockholder represents amounts received from the Company's CEO and is unsecured, noninterest-bearing, and has no stipulated repayment terms. Subsequent to June 30, 2016, the Company issued a convertible note payable (the "Second Note") to the CEO for \$117,000 and the balance due to stockholder was repaid with borrowings from this convertible note payable. The Second Note bears interest at an annual rate of 7% with a maturity rate of January 1, 2018, at which time all unpaid principal and interest is

due. The holder of the Second Note has the option to convert the outstanding principal and accrued interest, in whole or in part, into shares of common stock at a conversion price equal to the volume weighted average price per share of common stock for the 30-day period prior to conversion.

## **7 - COMMON STOCK**

As of June 30, 2016, the Company is authorized to issue 200,000,000 shares of \$0.0001 par value common stock, of which 40,841,517 shares have been issued.

## **8 - PREFERRED STOCK**

As of June 30, 2016, the Company is authorized to issue 250 shares of \$0.0001 par value Series A preferred stock, of which 250 shares have been issued. These preferred shares have voting rights per share equal to the total number of issued and outstanding shares of common stock divided by 0.99.

As of June 30, 2016, the Company is authorized to issue 4,999,750 shares of \$0.0001 par value preferred stock, with designations, voting, and other rights and preferences to be determined by the Board of Directors, of which no shares have been issued.

## **9 - COMMITMENTS AND CONTINGENCIES**

In May 2016, the Company entered into a lease agreement for office space. The lease provides for monthly rent of approximately \$5,000 per month with a rent-free period from May 1, 2016 through July 31, 2016. The lease term begins May 1, 2016 and expires April 30, 2017. At June 30, 2016, net minimum future rental payments pursuant to noncancelable operating leases for the 12 months ending June 30, 2017 is \$45,000. A security deposit of \$12,500 required by this lease agreement is reported as *prepaid expenses and other current assets*. Subsequent to June 30, 2016, the Company entered into two additional leases for additional space with rent-free periods through November 1, 2016. Each lease has a term of one year beginning July 1, 2016 and September 1, 2016, requiring monthly lease payments after the rent-free period of approximately \$2,500 and \$3,500, respectively. An additional security deposit of \$3,500 was required for the additional space.

## **10 - STOCK INCENTIVE PLAN**

The Company established a stock incentive plan (the "Plan") that permits the granting of incentive stock options and other common stock awards. The maximum number of shares available under the Plan is 100,000,000 shares. The Plan is open to all employees, officers, directors, and consultants of the Company.

During July 2016, the Company granted options for 26,950,000 shares of common stock, including the 2,000,000 shares issued per the joint venture agreement referred to in Note 12, under the Plan with an exercise share price of \$0.20 per share. Vesting of the shares ranges from immediately vesting on the date of grant to a two-year vesting schedule, which vests at 50% per year.

## **11 - CONCENTRATION OF CREDIT RISK**

The Company places its cash with high quality credit institutions. Cash in banks is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

## **12 - SUBSEQUENT EVENTS**

During July 2016, the Company granted options for 2,000,000 shares of common stock in accordance with a joint venture agreement with a Brazilian entity in the drone technology market. The agreement provides that the Company will acquire exclusive rights to this entity's UAV technology and intellectual property that includes research and development efforts completed by this entity. The Company will also secure exclusive export and representation rights to this entity's products along with the option to acquire full ownership of this entity should the companies agree at a later date it would be in the best interest of both businesses. The specific terms of the agreement will be defined at a later date.

During August 2016, the Company entered into an agreement with a third party who had purchased certain payables from the Company's vendors of approximately \$102,000. The agreement provides for the issuance of free trading shares of common stock under the 3(a)(10) exemption as satisfaction of the payable to this third party. The value of the common stock will be based upon a discount of 35% to the lowest intraday price during the ten-day period prior to the request for the shares of common stock. In addition, 11,500 shares were issued as a settlement fee. In connection with this agreement, the Company was required to reserve 2,000,000 shares of common stock related to this transaction. The reserved shares will be released upon the satisfaction of the payable. Subsequent to this agreement, the Company issued 162,000 shares to satisfy approximately \$71,000 of this liability.

During August 2016, the Company entered into a stock purchase and subscription agreement and sold 270,271 shares of the Company's common stock at \$0.37 price per share.

On September 9, 2016, the Company purchased a Washington-based entity with customers in the U.S. federal government and Department of Defense. The Company acquired all outstanding shares of stock of this entity. In exchange for these shares, the Company paid \$2,600,000 in cash and issued a note payable in the amount of \$900,000, bearing interest of 5.5%, to the sellers of this entity. In addition to the payment in the form of cash and notes, warrants for 500,000 shares of common stock and additional contingent earn-out payments are also required. On September 13, 2016, the Company entered into a senior secured credit facility agreement with an investment fund to raise capital for this transaction. The Company can borrow up to \$6,500,000, with an initial loan at closing of \$3,500,000. The loan bears interest at a rate of 18% and matures on March 13, 2018. In connection with this loan, the Company is obligated to pay additional advisory fees of \$850,000 payable in the form of common stock in accordance with the terms of the credit facility. The Company was required to reserve 7,000,000 shares of common stock related to this transaction. The reserved shares will be released upon the satisfaction of the loan. Subsequent to the borrowing, the Company has issued 539,204 shares of common stock towards the satisfaction of the \$850,000 liability.

In connection with the purchase of the Washington-based entity, the Company entered into two separate employment agreements with the executive vice presidents of this entity. Each agreement provides for annual base compensation of \$125,000 for a period of two years. The Company also agreed to issue 500,000 shares of common stock to certain employees of this entity in accordance with the terms of the agreement.

On October 1, 2016, the Company entered into employment agreements with three of its officers. The employment agreement with the company's President and CEO provides for annual base compensation of \$370,000 for a period of three years, which can at the Company's election be paid in cash or Company Common Stock or deferred if insufficient cash is available, and provides for other benefits. The employment agreement with the company's Treasurer and CFO provides for annual base compensation of \$250,000 for a period of three years, which can at the Company's election be paid in cash or Company Common Stock or deferred if insufficient cash is available, and provides for other benefits. The employment agreement with the company's Chief Strategy Officer provides

for annual base compensation of \$400,000 for a period of three years and provides for other additional benefits as defined in the agreement including a signing bonus of \$100,000 payable during the first year of employment.

Subsequent to June 30, 2016, the Company entered into an agreement with the Portuguese government, the National Aviation Authority of Portugal, and Aeroportos de Portugal (the Airport Authority of Portugal) enabling the Company to fly and test all classes of UAVs at the airport of Santa Maria island in the Azores archipelago in Portugal. The Company is one of five companies, and the only foreign company, to have been granted access to the airport for such purposes.

Subsequent to June 30, 2016, the Company registered with the U.S. State Department and met the requirements of the Arms Export Control Act and International Traffic in Arms Regulations ("ITAR"). The registration allows for the company to apply for export, and temporary import, of product, technical data, and services related to defense articles.

Subsequent to June 30, 2016, the Company changed from a calendar year end to a fiscal year end of September 30.

## **OTC Pink Basic Disclosure Guidelines**

### **1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Drone USA, Inc. (as of May 2016)  
(formerly Texas Wyoming Drilling, Inc.)

### **2) Address of the issuer's principal executive offices**

Company Headquarters  
Address 1: One World Trade Center  
Address 2: 285 Fulton Street, 85<sup>th</sup> Floor  
Address 3: New York, NY 10007  
Phone: (212) 220-8795  
Email: info@droneusainc.com  
Website(s): www.droneusainc.com

IR Contact  
Address 1: The Equity Group  
Address 2: 800 3<sup>rd</sup> Avenue, 36<sup>th</sup> Fl  
Address 3: New York, NY  
Phone: (212)836-9606  
Email: tdowns@equityny.com  
Website(s): www.theequitygroup.com

### **3) Security Information**

Trading Symbol: DRUS  
Exact title and class of securities outstanding: Common Stock  
CUSIP: 26210T107  
Par or Stated Value: \$0.0001  
Total shares authorized: 200,000,000 as of: 11/2/2016  
Total shares outstanding: 41,719,492 as of: 09/30/2016

Additional class of securities (if necessary):  
Exact title and class of securities outstanding: Series A Preferred Stock  
Par or Stated Value: \$0.0001  
Total shares authorized: 250 as of: 11/2/2016  
Total shares outstanding: 250 as of: 11/2/2016

Additional class of securities (if necessary):  
Exact title and class of securities outstanding: Preferred Stock  
Par or Stated Value: \$0.0001  
Total shares authorized: 4,999,750 as of: 11/2/2016  
Total shares outstanding: 0 as of: 11/2/2016

Transfer Agent  
Name: Action Stock Transfer  
Address 1: 2469 E Fort Union Blvd  
Address 2: Suite 214  
Address 3: Salt Lake City, Utah 84121

Phone: (801) 274-1088

Is the Transfer Agent registered under the Exchange Act?\*

Yes: ☒

No: ☐

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

**Reverse Stock Split:** Drone USA completed a one for twelve reverse stock split of its common stock, par value \$.0001 per share. The record date for the stock split is March 24, 2016. Shareholders of record as of such date will receive one share of the Company's common stock for each twelve shares that they own as of the market close on the record date. The distribution of the new shares will be made available on or about May 19, 2016. The financials for June 30, 2016 are presented to accurately reflect and account for the effects of this reverse split.

**Recent Acquisition:** See footnote number 12 "Subsequent Events" in June 30 financials

**Planned recapitalization:** The Company is currently financed primarily by debt. The Company is currently exploring options to raise equity for growth and that may or may not retire some or all of the outstanding debts.

**Planned acquisitions:** As part of its strategy for growth, the Company is actively evaluating and plans to acquire target companies for acquisition. Some of the targets being evaluated may be acquired within a 12 month time period.

#### **4) Issuance History**

See Statement of Stockholder's Equity and footnotes number 10 "Stock Incentive Plan" and number 12 "Subsequent Events" in the June 30, 2016 financials

#### **5) Financial Statements**

**Drone USA's financial statements for June 30, 2016 have been posted on OTC Markets on 11/2/2016**

#### **6) Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Drone USA, Inc. ("the Company") plans to become a primary developer, manufacturer, and distributor of unmanned aerial vehicles (UAVs) to public safety, government, and commercial customers worldwide. The company recognizes gaps and underserved segments in the rapidly growing UAV markets and plans to offer professional solutions at a lower cost than what is available today. Drone USA will do so by licensing, partnering and acquiring superior UAV technologies and will combine them with the Company's global sales capabilities and access to top UAV experts. The Company will also pursue strategic acquisitions that will provide immediate revenues and synergies. Drone USA's headquarters are located in One World Trade Center in New York City, NY.

B. Date and State (or Jurisdiction) of Incorporation:

June 28, 1972 – Delaware

C. the issuer's primary and secondary SIC Codes;

3721 - Aircraft

D. the issuer's fiscal year end date;

09/30 – changed from 12/31 in October 2016.

E. principal products or services, and their markets;

The Company plans to market, sell and distribute a portfolio of low altitude UAV systems, including both quadcopter and fixed-wing models. The Company is targeting (a) foreign militaries (b) foreign and U.S. civil defense, police, fire and rescue organizations and (c) select commercial markets globally.

**7) Describe the Issuer's Facilities**

The Company has leased office space for its headquarters at 1 World Trade Center, 85th Floor, New York, NY 10007

**8) Officers, Directors, and Control Persons**

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Michael Bannon, Chairman, President & CEO  
Dennis Antonelos, CFO/COO & Board Member  
Paulo Ferro, Chief Strategy Officer & Board Member  
Rodrigo Kuntz Rangel, CTO  
David Y. Williams, Independent Director  
Dylan Bruno, Independent Director

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

No

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Mike Bannon, approx. 90% ownership of issued & outstanding shares  
One World Trade Center, 85th Floor  
285 Fulton Street  
New York, NY 10007

## **9) Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Legal Counsel

Firm: Akerman LLP  
Address 1: 666 5<sup>th</sup> Avenue  
Address 2: New York, NY 10103  
Phone: (212) 880-3800

### Accountant or Auditor

Firm: Friedman LLP  
Address 1: 100 Eagle Rock Avenue, Suite 200  
Address 2: East Hanover, NJ 07936  
Phone: 973-929-3630

### Investor Relations Consultant

Firm: The Equity Group  
Address 1: 800 Third Avenue, 36th Floor Address 2: New York, NY 10022  
Phone: 212-836-9606  
Email: tdowns@equityny.com

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Firm: Raich, Ende, Malter & Co LLP  
Address 1: 175 Broadhollow Road  
Address 2: Suite 250  
Phone: (516) 228-9000

## **10) Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:



I, Mike Bannon certify that:

1. I have reviewed this quarterly disclosure statement of Drone USA, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/2/2016 [Date]

/s/ Mike Bannon  
Mike Bannon, CEO

/s/ Dennis Antonelos  
Dennis Antonelos, CFO