UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from _________ to _________

Commission file number: 333-150332

DRONE AVIATION HOLDING CORP.
(Exact name of registrant as specified in its charter)

Nevada	**46-5538504**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11651 Central Parkway #118, Jacksonville, FL 32224
(Address of principal executive offices) (zip code)

(904) 834-4400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Note: The Company is a voluntary filer but has filed all reports it would have been required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months if it was a mandatory filer.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

As of August 14, 2015 there were 81,901,034 shares of the registrant's common stock outstanding.

DRONE AVIATION HOLDING CORP.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DRONE AVIATION HOLDING CORP.

Interim Unaudited Financial Statements

For the Period Ended June 30, 2015

DRONE AVIATION HOLDING CORP.
CONSOLIDATED BALANCE SHEETS

	6/30/2015 (Unaudited)	12/31/2014
ASSETS		
CURRENT ASSETS:		
Cash	$ 1,112,412	$ 1,369,896
Accounts receivable - trade	18,260	30,170
Inventory	132,372	39,404
Prepaid expenses and deposits	85,441	50,169
Total current assets	1,348,485	1,489,639
PROPERTY AND EQUIPMENT, at cost:	98,106	34,064
Less - accumulated depreciation	(12,200)	(7,040)
Net property and equipment	85,906	27,024
OTHER ASSETS:		
Goodwill	99,799	99,799
Intangible assets, net	82,147	103,609
Total other assets	181,946	203,408
TOTAL ASSETS	$ 1,616,337	$ 1,720,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade and accrued liabilities	$ 44,181	$ 64,383
Accounts payable due to related party	1,442	2,181
Deferred revenue	129,575	-
Note Payable - Oklahoma Technology Commercialization Center- Current	110,000	110,000
Total current liabilities	285,198	176,564
TOTAL LIABILITIES	$ 285,198	$ 176,564
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY (DEFICIT):		
Convertible Preferred stock, Series A, $.0001 par value; authorized 595,000 shares; 230,221 and 396,750 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	$ 23	$ 40
Convertible Preferred stock, Series B, $.0001 par value; authorized 324,671 shares; 324,671 and 324,671 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	32	32
Convertible Preferred stock, Series B-1, $.0001 par value; authorized 156,231 shares; 68,731 and 68,731 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	7	7
Convertible Preferred stock, Series C, $.0001 par value; authorized 355,000 shares; 325,400 and 345,400 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	33	35
Convertible Preferred stock, Series D, $.0001 par value; authorized 36,050,000 shares; 27,650,000 and 36,050,000 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	2,765	3,605
Convertible Preferred stock, Series E, $.0001 par value; authorized 5,400,000 shares; 5,400,000 and 5,400,000 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	540	540
Convertible Preferred stock, Series F, $.0001 par value; authorized 3,300,999 shares; 3,300,999 and 3,300,999 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	330	330
Convertible Preferred stock, Series G, $.0001 par value; authorized 8,000,000 shares; 4,000,000 and 0 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	400	-
Common stock, $.0001 par value; authorized 300,000,000 shares; 66,131,014 and 37,078,114 shares issued and outstanding, at June 30, 2015 and December 31, 2014, respectively	6,613	3,708
Additional paid-in capital	7,304,528	3,698,618
Retained Earnings (Deficit)	(5,984,132)	(2,163,408)
Total stockholders' equity	1,331,139	1,543,507

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,616,337	$ 1,720,071

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRONE AVIATION HOLDING CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014
Revenues	$ 67,602	$ 124,976	$ 82,808	$ 354,326
Cost of good sold	26,428	104,339	34,545	243,577
Gross profit	41,174	20,637	48,263	110,749
General and administrative expense	2,927,614	97,682	3,868,721	187,382
Loss from operations	(2,886,440)	(77,045)	(3,820,458)	(76,633)
Other income (expense)				
Loss on sale and impairment of securities held for resale	-	(42,821)	-	(42,821)
Loss on derivative liability	-	(269,981)	-	(269,981)
Interest income	-	67	-	67
Interest expense	(133)	(1,439)	(266)	(1,940)
Total other expense	(133)	(314,174)	(266)	(314,675)
NET LOSS	$ (2,886,573)	$ (391,219)	$ (3,820,724)	$ (391,308)
Deemed dividend on Series G convertible preferred stock	80,000	-	80,000	-
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (2,966,573)	$ (391,219)	$ (3,900,724)	$ (391,308)
Weighted average number of common shares outstanding - basic and diluted	52,566,198	8,019,384	46,518,311	4,031,845
Basic and diluted net loss per share	$ (0.06)	$ (0.05)	$ (0.08)	$ (0.10)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRONE AVIATION HOLDING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

For the Six Months Ended June 30,	**6/30/2015**	**6/30/2014**
OPERATING ACTIVITIES:		
Net loss	$ (3,820,724)	$ (391,308)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on disposal and impairment of available-for-sale securities	-	42,821
Loss on derivative liability	-	269,981
Depreciation	5,160	181
Amortization	21,462	-
Stock based compensation	2,608,356	-
Changes in current assets and liabilities:		
Accounts receivable	11,910	(98,760)
Inventory	(92,968)	20,215
Prepaid expenses and other current assets	(35,272)	(21,819)
Accounts payable and accrued expense	(5,927)	(169,040)
Due from related party	(739)	20,216
Deferred revenue	129,575	258,968
Net cash used in operating activities	(1,179,167)	(68,545)
INVESTING ACTIVITIES:		
Cash paid on business combination, net	-	(304,639)
Cash from reverse merger	-	1,629,263
Cash from sales of available-for-sale securities	-	168,704
Purchase of furniture and equipment	(64,042)	-
Net cash (used in) provided by investing activities	(64,042)	1,493,328
FINANCING ACTIVITIES:		
Proceeds from common stock issued for cash	-	653,327
Redemption of Series B-1 preferred stock	-	(350,000)
Series G preferred stock issued for cash	985,725	-
Net cash provided by financing activities	985,725	303,327
NET (DECREASE) INCREASE IN CASH	(257,484)	1,728,110
CASH, beginning of period	1,369,896	-
CASH, end of period	$ 1,112,412	$ 1,728,110
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the quarters ended June 30:		
Interest	$ 266	$ 1,429
Noncash investing and financing activities for the quarters ended June 30:		
Conversion of Series A preferred stock to common stock	$ 1,665	$ 381
Conversion of Series C preferred stock to common stock	$ 200	$ -
Conversion of Series D preferred stock to common stock	$ 840	$ -
Reverse merger adjustment	$ -	$ (2,116,221)
Business combination adjustment	$ -	$ 79,000

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Drone Aviation Holding Corp.
Notes to Interim Unaudited Financial Statements

For the Period Ended June 30, 2015

1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The financial statements as of December 31, 2014 have been audited by an independent registered public accounting firm. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's 10K for the calendar year ended December 31, 2014.

2. RELATED PARTY TRANSACTIONS

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Aerial Products Corp ("APC") is a related party, controlled by a current employee of the Company. APC shared the manufacturing facilities with LTAS and provided aerostat envelopes and manufacturing labor to Lighter Than Air Systems (LTAS) until June 30, 2014 when the APC labor pool transitioned to the Company. The accounts payable due to related party at December 31, 2014 included allocated rent and utility charges, aerostat envelopes, truck expenses and labor charges due of $2,181. An additional $2,876 in similar expenses was incurred in the first two quarters of 2015. A total of $3,615 was paid to APC in the first quarter. The amount payable to APC at June 30, 2015 is $1,442. Additionally during the first quarter of 2015, the Company acquired used industrial sewing machines and used furniture and fixtures from APC for $6,500.

3. PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost when acquired. Depreciation is provided principally on the straight-line method over the estimated useful lives of the related assets, which is 3-7 years for equipment, furniture and fixtures, hardware and software and leasehold improvements. During the six months ended June 30, 2015, the Company invested $20,950 in shop machinery and equipment, $8,931 in computers and electronics, $19,392 office furniture and fixtures and additional $14,769 in leasehold improvements. Depreciation expense was $5,160 and $181 for the six months ended June 30, 2015 and 2014, respectively. Property and equipment consists of the following at June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
Shop Machinery and equipment	$ 40,904	$ 19,954
Computers and electronics	21,006	12,075
Office furniture and fixtures	21,427	2,035
Leasehold improvements	14,769	-
	98,106	34,064
Less - accumulated depreciation	(12,200)	(7,040)
	$ 85,906	$ 27,024

4. INTANGIBLE ASSETS

On May 5, 2014, the Company acquired Lighter Than Air Systems (LTAS). In accordance with ASC 805-10 Business Combination and purchase acquisition accounting, the Company initially allocated the consideration to the net tangible and identifiable intangible assets, based on their estimated fair values as of the date of acquisition. The fair value of the LTAS customer list was determined by using a discounted cash flow model and $135,550 was recorded on the date of the business combination. The Company recorded $31,941 of amortization expense for the year ended December 31, 2014 and an additional amortization expense of $21,462 in the first half of 2015.

5. SHAREHOLDERS' EQUITY

The Company issued a total of 29,052,900 common shares during the first half of 2015, described further as follows:

The Company issued 8,630,000 shares of common stock between January 1 and March 31, 2015 pursuant to conversions of an aggregate of 86,300 shares of Series A preferred stock.

The Company issued 8,022,900 shares of common stock between April 1 and June 30, 2015 pursuant to conversions of an aggregate of 80,229 shares of Series A preferred stock.

The Company issued 2,000,000 shares of common stock between April 1 and June 30, 2015 pursuant to conversions of an aggregate of 20,000 shares of Series C preferred stock.

The Company issued 8,400,000 shares of common stock between April 1 and June 30, 2015 pursuant to conversions of an aggregate of 8,400,000 shares of Series D preferred stock.

On June 1, 2015, the Company issued 2,000,000 shares of restricted common stock with monthly vesting provisions to the Chairman of the Board for twenty-four months services pursuant to a Director Agreement. The Chairman can earn a pro rata portion of the shares, calculated on a twenty-four month vesting period, in the event the Chairman relinquishes his position and board seat prior to the expiration date of the Director Agreement. The Company recognized a total of $22,500 expense for the pro rata portion of shares earned by the Chairman by June 30, 2015.

On August 27, 2014, the Company issued 2,000,000 shares of restricted common stock with monthly vesting provisions to two members of its Strategic Advisory Board for twelve months services. The advisors can earn a pro rata portion of the shares, calculated based on the twelve-month vesting period, in the event the service agreements are terminated prior to the expiration date as described in the agreements. The Company recognized a total of $323,333 expense for the pro rata portion of shares earned by the two advisors during the six months ended June 30, 2015 and has recognized a total of $450,000 since August 27, 2014.

6. PREFERRED STOCK

All of the preferred stock of the Company is convertible into common shares. The Series A and Series C stock conversion ratio is 1 to 100 common shares. The Series B, B-1, D, E, F and G stock conversion ratio is 1 to 1 common share. The conversion price of Series B stock may be adjusted if a 'dilutive triggering event' occurs which could happen if the Company were to sell or issue common stock, warrants or convertible securities without consideration or for a consideration per share less than the conversion price in effect immediately prior to such sale or issue (dilutive triggering price). In such case, the Series B conversion price would be reduced to a price equal to the dilutive triggering price. All preferred stock has voting rights equal to the number of shares it would have on an 'as if converted' basis subject to any ownership limitations governing such preferred shares. All preferred stock is entitled to dividends rights equal to the number of shares it would have on an 'as if converted' basis. None of the preferred stock is redeemable, participating nor callable.

The Company analyzed the embedded conversion option for derivative accounting consideration under ASC 815-15 "Derivatives and Hedging" and determined that the conversion option should be classified as equity.

The Company analyzed the conversion option for beneficial conversion features consideration under ASC 470-20 "Convertible Securities with Beneficial Conversion Features" and noted Series F stock contained a beneficial conversion feature. The intrinsic value of the beneficial conversion feature was determined to be $192,558. The beneficial conversion feature was fully amortized and recorded as a deemed dividend during the year ended December 31, 2014. The Series G stock issued during current quarter also contained a beneficial conversion feature. The intrinsic value of the beneficial conversion feature was determined to be $80,000. The beneficial conversion feature was fully amortized and recorded as a deemed dividend during the six months ended June 30, 2015.

Between January 1 and June 30, 2015, seven investors in Series A preferred stock converted a total of 166,529 shares of Series A for an aggregate of 16,652,900 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages. During the same period, one investor in Series C preferred stock converted a total of 20,000 shares of Series C for an aggregate of 2,000,000 shares of restricted common stock and six investors in Series D preferred stock converted a total of 8,400,000 shares of Series D for an aggregate of 8,400,000 shares of restricted common stock, all in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

The Series B-1 preferred stock contains a liquidation provision whereas in the event of a fundamental transaction (such as the merger which occurred on June 3, 2014), the shareholder has the option to receive a preferential amount of cash equal to 400% of the stated value per share.

Series G Preferred Private Placement

On June 2, 2015, the Company sold an aggregate of 4,000,000 units in a private placement of its securities to certain investors at a purchase price of $0.25 per unit pursuant to subscription for an aggregate purchase price of $985,725, net of $14,275 financing fees. Each unit consists of one share of the Company's Series G Convertible Preferred Stock, par value $0.0001 per share, each of which is convertible into one share of Common Stock, with such rights and designations as set forth in the Certificate of Designation.

On June 2, 2015, as a result of the sale of the Series G Preferred Stock, the Company issued 2,700,000 shares of Series E Convertible Preferred Stock, which are convertible into an aggregate of 2,700,000 shares of Common Stock, to existing holders of Series E Preferred Stock, in connection with certain anti-dilution rights associated with their purchase of such shares. The additional share issuance was treated as a 'stock split' and was retrospectively reflected as of December 31, 2014.

On June 2, 2015, the Company received the consent of at least a majority of its holders of Series F Convertible Preferred Stock to consummate the Series G Private Placement, as required under the terms of that investment. In consideration for the foregoing consent, the Company issued all holders of its Series F Preferred Stock an aggregate of an additional 2,200,666 shares of Series F Preferred Stock, which are convertible into an aggregate of 2,200,666 shares of common stock. The additional share issuance was treated as a 'stock split' and was retrospectively reflected as of December 31, 2014.

7. EMPLOYEE STOCK OPTIONS

During the six months ended June 30, 2015, 29,500,000 options were granted to employees and a director for service provided. Of these, 10,000,000 options were immediately vested and were granted with an exercise price of $0.15 and the expiration date is May 18, 2018. Another 10,000,000 options vest over two years or upon the up listing of the Company's stock and were granted with an exercise price of $0.15 and the expiration date is June 1, 2018. Another option for 1,500,000 shares vesting over three years was granted with an exercise price of $0.27 and the expiration date is May 4, 2019. A director received two options. The first was for 3,000,000 shares vesting over two years and was granted with an exercise price of $0.25 and the expiration date is June 1, 2018. The second was for 5,000,000 shares with vesting tied to performance and was granted with an exercise price of $0.25 and the expiration date is June 1, 2018. Based on management's estimate, only 1,000,000 options will eventually vest while the remaining 4,000,000 would be forfeited.

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based awards on the date of grant.

The following table summarizes the assumptions used to estimate the fair value of stock options granted during the six months ended June 30, 2015:

	2015
Expected dividend yield	0%
Expected volatility	128%
Risk-free interest rate	0.40 - 0.99%
Expected life of options	1.50 – 3.42 years

Under the Black-Scholes option price model, fair value of the warrants granted is estimated at $5,142,284. During the six months ended June 30, 2015, $2,252,552 compensation expense was recognized and the remaining $2,889,732 will be recognized over the next three years.

The following table represents stock option activity as of and for the period ended June 30, 2015:

	Number of Options	Weighted Average Exercise Price	Contractual Life in Years	Intrinsic Value
Outstanding – December 31, 2014	-	$ 0.00		
Exercisable – December 31, 2014	-	$ 0.00		
Granted	29,500,000	$ 0.18		
Exercised or Vested	-	$ 0.00		
Forfeited or Expired	-	$ 0.00		
Outstanding – June 30, 2015	29,500,000	$ 0.18	2.96	
Exercisable – June 30, 2015	10,000,000	$ 0.15	2.88	$ 1,150,000

8. WARRANTS

For the six month period ended June 30, 2015, 1,500,000 warrants were granted to two consultants for service provided. One consultant was granted 1,000,000 warrants with exercise price of $0.25, vesting over two years and the expiration date is June 16, 2018. The other consultant was granted 500,000 warrants with exercise price of $0.25, vesting over one year and the expiration date is June 25, 2018.

The Company uses the Black-Scholes warrant pricing model to estimate the fair value of warrants as of June 30, 2015.

The following table summarizes the assumptions used to estimate the fair value of warrants granted during the six months ended June 30, 2015:

	2015
Expected dividend yield	0%
Expected volatility	128%
Risk-free interest rate	0.46 - 0.83%
Expected life of warrants	1.6 – 2.45 years

Under the Black-Scholes warrant price model, fair value of the warrants granted is estimated at $261,834. During the six months ended June 30, 2015, $9,971 compensation expense was recognized.

The following table represents warrant activity as of and for the period ended June 30, 2015:

	Number of Warrants	Weighted Average Exercise Price	Contractual Life in Years	Intrinsic Value
Outstanding – December 31, 2014	485,007	$ 5.17	2.04	
Exercisable – December 31, 2014	485,007	$ 5.17	2.04	$ 0.00
Granted	1,500,000	$ 0.25		
Exercised or Vested	-	$ 0.00		
Forfeited or Expired	(7,914)	$ 2.53		
Outstanding – June 30, 2015	1,977,093	$ 1.45	2.63	
Exercisable – June 30, 2015	477,093	$ 5.21	1.58	$ 0.00

9. OKLAHOMA TECHNOLOGY COMMERCIALIZATION CENTER

At the time of the April 30, 2014 merger between MacroSolve, Inc. and Drone Aviation Holding Corp., MacroSolve had an $110,000 balance on its refundable award from the State of Oklahoma Technology Business Finance Program. The parties are currently discussing a release from the debt that is unrelated to the current operations.

10. SUBSEQUENT EVENTS

Between July 1 and August 14, 2015, 2 investors in Series A preferred stock converted a total of 10,200 shares of Series A for 1,020,000 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

Between July 1 and August 14, 2015, 1 investor in Series B preferred stock converted a total of 20 shares of Series B for 20 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

Between July 1 and August 14, 2015, 2 investors in Series C preferred stock converted a total of 30,000 shares of Series C for 3,000,000 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

Between July 1 and August 14, 2015, 4 investors in Series D preferred stock converted a total of 4,750,000 shares of Series D for 4,750,000 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

Between July 1 and August 14, 2015, 1 investor in Series E preferred stock converted a total of 1,000,000 shares of Series E for 1,000,000 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

On July 20, 2015, the Company entered into an agreement to acquire exclusive commercial software licenses for the "GUST" (Georgia Tech UAV Simulation Tool) autopilot system from Adaptive Flight, Inc. Through the purchase of the assets of privately held Adaptive Flight Inc. (AFI), the Company is assuming the transferable licenses from the Georgia Tech Research Corporation which include flight simulation tools and fault tolerant flight control algorithms. In addition, the company acquired AFI's dedicated flight computer and additional related hardware and airframes. The Company paid $100,000 in immediately available funds and $100,000 to be held in escrow. In addition, the Company issued 6,000,000 shares of unregistered common stock to be held in escrow.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in Management's Discussion and Analysis ("MD&A"), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "would," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe." and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. These statements are subject to a number of risks, uncertainties and developments beyond our control or foresight including changes in the trends of the advanced aerostats and tethered drone industry formation of competitors, changes in governmental regulation or taxation, changes in our personnel and other such factors. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers should carefully review the risk factors and related notes included under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 31, 2015.

The following MD&A is intended to help readers understand the results of our operation and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Interim Unaudited Financial Statements and the accompanying Notes to Interim Unaudited Financial Statements under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Growth and percentage comparisons made herein generally refer to the six months ended June 30, 2015 compared with the six months ended June 30, 2014 unless otherwise noted. Unless otherwise indicated or unless the context otherwise requires, all references in this document to "we," "us," "our," the "Company" and similar expressions to Drone Aviation Holding Corp. and depending on the context, its subsidiaries.

Business Overview

Drone Aviation Holding Corp. ("Drone Aviation," "we," "us," or the "Company") is a Nevada corporation formed on April 17, 2014 as a wholly owned subsidiary of MacroSolve, Inc., an Oklahoma corporation ("MacroSolve"). Effective April 30, 2014, MacroSolve merged with and into Drone Aviation, with Drone Aviation as the surviving entity, for purposes of moving the Company's state of incorporation from Oklahoma to Nevada (the "Redomestication"). Any references to "Drone Aviation," "we," "us," or the "Company" or any similar references relating to periods before the Redomestication shall be construed as references to MacroSolve, being the previous parent company of Drone Aviation.

We are focused on the business of the design, development, marketing and sale of lighter-than air ("LTA") advanced aersostats and land-based intelligence, surveillance and reconnaissance ("ISR") solutions and tethered drones. The Company, through its wholly owned subsidiary, Lighter Than Air Systems Corp. ("LTAS"), which was acquired on June 3, 2014 upon consummation of a Share Exchange with Drone Aviation Corp., a wholly-owned subsidiary which was merged into Drone Aviation on March 26, 2015, is focused on the development of a series of tethered aerostats known as the Blimp in a Box® ("BiB") system and the Winch Aerostat Small Platform ("WASP") as well as certain other tethered drone products. The BiB system is a lighter-than-air, compact aerostat platform either self-contained on a trailer that can be towed by an MATV or MRAP or other standard vehicle, or it can operate from the bed of a pickup truck. It is designed to provide semi-persistent, mobile, real-time day/night high definition footage for "ISR", detection of improvised explosive devices ("IEDs"), border security and other governmental and civilian uses. The WASP is a mobile, tactical-sized aerostat capable of carrying a variety of payloads in support of military operations. Both the BiB and the WASP can also be utilized for disaster response missions, by supporting two-way and cellular communications, by acting as a repeater or providing wireless networking.

Recent Transactions

On July 20, 2015, the Company announced that it had acquired the exclusive commercial rights to UAV Autopilot System created at Georgia Institute of Technology from Adaptive Flight, Inc. (AFI) The licensed technology will further enable the development and commercialization of the Company's products and includes flight simulation tools and fault tolerant flight control algorithms. In addition, the Company acquired AFI's dedicated flight computer and additional related hardware and airframes.

On June 20, 2015, the Company announced that it had received an order from U.S. Government prime contractor BAE Systems for parts and services related to enhancing and supporting two WASP aerostat systems owned and operated by the U.S. Army Space and Missile Defense Command Battle Lab for July 2015 Department of Defense exercises. This order will be fulfilled in July 2015.

On June 3, 2015, the Company announced that it closed on a $1 million offering of its Series G Convertible Preferred Stock. The Company sold an aggregate of 4,000,000 shares, each convertible into one share of common stock, in a private placement to accredited investors at a purchase price of $0.25 per share for an aggregate purchase price of $985,725, net of $14,275 financing fees.

On May 5, 2015, the Company announced that it had received an order from specialized defense contractor Troll Systems for a set of Winch Aerostat Small Platform (WASP) aerostat systems. The Company and Troll Systems will work jointly to integrate the L-3 Wescam MX-10 advanced optical sensor system in to the WASP platform for an international customer. The initial flight testing is expected to take place in the third quarter of 2015.

Results of Operations

Three Months Ended June 30, 2015 compared to Three Months Ended June 30, 2014

Net Revenues: Net revenues of $68,000 for the three months ended June 30, 2015 decreased $57,000 or 46% from $125,000 for the same period in 2014. Sources of revenue were derived primarily from small aerostat products and accessories while the Company focused resources on continued development of the WATT product line.

Cost of Goods Sold and Gross Profit: Cost of goods sold of $26,000 for the three months ended June 30, 2015 decreased $78,000 or 75% from $104,000 for the same period in 2014. Costs include material, parts and labor associated with the sale of small aerostats products and accessories. The resulting gross profit for the three months ended June 30, 2015 of $41,000 was an increase of $20,000 from the $21,000 gross profit for the same three months of 2014. Gross profit margins were 61% and 17% for the quarters ended June 30, 2015 and 2014, respectively.

Operating Expenses: Operating expenses primarily consist of general and administrative expenses. General and administrative expenses increased $2,830,000 or 2,888%, to $2,928,000 in the three months ended June 30, 2015 from $98,000 for the same period in 2014. The merger and acquisition activities brought a new management team, board of directors and strategic advisors to the Company for the purpose of product development and increasing business opportunities and shareholder value. Approximately $2,263,000 of the increase is due to the issuance of options and warrants to officers, employees, director and consultants valued according to Black-Scholes method at June 30, 2015. Approximately $175,000 of the increase in operating expenses is related to salaries and benefits, $37,000 of the increase is related to director and strategic advisory board compensation, $155,000 of the increase is related to research and development, $79,000 of the increase is related to legal, financial advisory, audit and accounting fees for SEC filings, $19,000 of the increase is related to rent and utilities, $19,000 of the increase is related to outside services, and $107,000 of the increase is related to marketing and travel expense.

Loss from Operations: Loss from operations for the three months ended June 30, 2015 increased $2,809,000 or 3,648%, to $2,886,000 from loss from operations of $77,000 for the same period in 2014, primarily due to factors discussed above.

Other Income and Expense: Total other expenses of $133 decreased $314,000 in the second quarter of 2015 from $314,000 in 2014. This decrease is primarily due to expenses related to the reverse merger and recapitalization of the Company in the prior year.

Net Loss: Net loss increased $2,496,000 or 638% to $2,887,000 for the second quarter of 2015 from net loss of $391,000 for the same period in 2014. This increased loss is due to factors discussed above.

Six Months Ended June 30, 2015 compared to Six Months Ended June 30, 2014

Net Revenues: Net revenues of $83,000 for the six months ended June 30, 2015 decreased $271,000 or 77% from $354,000 for the same period in 2014. Sources of revenue were derived primarily from small aerostat products and accessories while the Company focused resources on continued development of the WATT product line.

Cost of Goods Sold and Gross Profit: Cost of goods sold of $35,000 for the six months ended June 30, 2015 decreased $209,000 or 86% from $244,000 for the same period in 2014. Costs include material, parts and labor associated with the sale of small aerostats products and accessories. The resulting gross profit for the six months ended June 30, 2015 of $48,000 was a decrease of $63,000 from the $111,000 gross profit for the same period of 2014. Gross profit margins were 58% and 31% for the six months ended June 30, 2015 and 2014, respectively.

Operating Expenses: Operating expenses primarily consist of general and administrative expenses. General and administrative expenses increased $3,682,000 or 1,969%, to $3,869,000 in the six months ended June 30, 2015 from $187,000 for the same period in 2014. The merger and acquisition activities brought a new management team, board of directors and strategic advisors to the Company for the purpose of product development and increasing business opportunities and shareholder value. Approximately $2,263,000 of the increase is due to the issuance of options and warrants to officers, employees, director and consultants valued according to Black-Scholes method at June 30, 2015. Approximately $372,000 of the increase in operating expenses is related to salaries and benefits, $54,000 of the increase is related to investor relations, $356,000 of the increase is related to director and strategic advisory board compensation of which $331,000 was non-cash stock compensation, $344,000 of the increase is related to research and development, $193,000 of the increase is related to legal, financial advisory, audit and accounting fees for SEC filings, $42,000 of the increase is related to rent and utilities, $43,000 of the increase is related to outside services, and $127,000 of the increase is related to marketing and travel expense.

Loss from Operations: Loss from operations for the six months ended June 30, 2015 increased $3,743,000 or 4,861%, to $3,820,000 from loss from operations of $77,000 in 2014, primarily due to factors discussed above.

Other Income and Expense: Total other expenses of $266 decreased $315,000 in the six months ended June 30, 2015 from $315,000 for the same period in 2014. This decrease is primarily due to expenses related to the reverse merger and recapitalization of the Company in the prior year.

Net Loss: Net loss increased $3,430,000 or 877% to $3,821,000 for the six months ended June 30, 2015 from net loss of $391,000 for the same period in 2014. This increased loss is due to factors discussed above.

Liquidity and Capital Resources

As of June 30, 2015, the Company had total current assets of $1,348,000 and total current liabilities of $285,000 for working capital of $1,063,000. As of June 30, 2015, the Company had cash and cash equivalents of $1,112,000 and an accumulated deficit of $5,984,000.

We have historically financed our operations through operating revenues and sales of equity securities to accredited investors. While we currently believe we have sufficient capital and access to capital to continue our operations for the next 12 months, we may incur significant expenses in implementing our growth plan. We could deplete our cash and working capital more rapidly than expected, which could result in our need to curtail our operations.

Sources and Uses of Cash

	Six Months Ended June 30,	
	2015	**2014**
Cash flows (used in) operating activities	$ (1,179,000)	$ (68,000)
Cash flows (used in) provided by investing activities	(64,000)	1,493,000
Cash flows provided by financing activities	985,000	303,000
Net decrease in cash and cash equivalents	$ (257,000)	$1,728 ,000

***Operating Activities*:**

Net cash used in operating activities during the six months ended June 30, 2015 was approximately $1,179,000, which was a decrease in operating cash flow of approximately $1,110,000 from $68,000 net cash used in operating activities during the same six months of 2014. The net loss of approximately $3,821,000 for the first six months of 2015 was $3,430,000 greater than the same period of 2014, which was approximately $391,000. The Company recognized approximately $2,263,000 in options and warrant expense associated with issuances to management, employee, director and consultants and $323,000 in shares of common stock issued to a third party for services in the first half of 2015. Inventory levels were $113,000 less than and Deferred Revenue was $129,000 less than the same period of 2014.

***Investing Activities*:**

Net cash used in investing activities during the six months ended June 30, 2015 was approximately $64,000 and was related to the purchase of furniture and equipment. The net cash used in investing activities during the six months ended June 30, 2014 was approximately $1,493,000 which was related to the reverse merger and business combination between Drone Aviation Holding Corp., Drone Aviation Corp. and Lighter Than Air Systems Corp.

Financing Activities:

The Company had net proceeds of $985,000 in the six months ended June 30, 2015 related to the sale of Series G Convertible Preferred Stock. For the same period in 2014, the Company had proceeds of approximately $653,000 from sale of common stock issued for cash offset by $350,000 cash used in the redemption of Series B-1 preferred stock.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Critical Accounting Policies and Estimates

The Company's accounting policies are more fully described in Note 1 of the Financial Statements included in the Annual Report on Form 10-k for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 31, 2015. As disclosed in Note 1, the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The Company believes that the following discussion addresses the Company's most critical accounting policies, which are those that are most important to the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective and complex judgments.

Accounts Receivable and Credit Policies:

Trade accounts receivable consist of amounts due from the sale of tethered aerostats, accessories, spare parts and delivery and installation of aerostats. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days of receipt of the invoice. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts based on historical collection experience and a review of the current status of trade accounts receivable.

Derivative Financial Instruments:

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses a Black-Scholes option pricing model, in accordance with ASC 815-15 "Derivative and Hedging" to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Revenue Recognition and Unearned Income:

Revenues from the sale of products and services are recognized upon delivery.

Recently Issued Accounting Pronouncements

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

ITEM 4 - CONTROLS AND PROCEDURES

a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2015, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Except as discussed below, we are not currently aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Case No. 612-CV-46-MHS-KNM

As a result of the USPTO Office Action, on March 31, 2014, the Company dismissed its patent enforcement case against Newegg Inc. with prejudice. On April 6, 2015, the court denied the motion by Newegg for recovery of defendant legal fees of approximately $400,000 from the Company in the matter of MacroSolve, Inc. v Newegg Inc. (U.S.D.C. E.D. TX) case No. 6:12-CV-46-MHS-KNM. On April 24, 2015, Newegg filed a Notice of Appeal with the United States Court of Appeals for the Federal Circuit. Should the Company not prevail in that matter, the judgment would be borne by the former MacroSolve directors who sold their loans on April 17, 2014.

Other than as set forth above, there are no material claims, actions, suits, proceedings, inquiries, labor disputes or investigations pending.

Item 1A. Risk Factors

There have been no changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In the three months ended June 30, 2015, the Company issued 8,022,900 shares of common stock during the second quarter pursuant to conversions of an aggregate of 80,229 shares of Series A preferred stock.

In the three months ended June 30, 2015, the Company issued 2,000,000 shares of common stock during the second quarter pursuant to conversions of an aggregate of 20,000 shares of Series C preferred stock.

In the three months ended June 30, 2015, the Company issued 8,400,000 shares of common stock during the second quarter pursuant to conversions of an aggregate of 8,400,000 shares of Series D preferred stock.

On June 1, 2015, the Company issued 2,000,000 shares of restricted common stock with monthly vesting provisions to the Chairman of the Board for twenty-four months services pursuant to a Director Agreement. The Chairman can earn a pro rata portion of the shares, calculated on a twenty-four month vesting period, in the event the Chairman relinquishes his position and board seat prior to the expiration date of the Director Agreement.

On August 27, 2014, the Company issued 2,000,000 shares of restricted common stock with monthly vesting provisions to two members of its Strategic Advisory Board for twelve months services. The advisors can earn a pro rata portion of the shares, calculated based on the twelve-month vesting period, in the event the service agreements are terminated prior to the expiration date as described in the agreements.

In the second quarter of 2015, seven investors in Series A preferred stock converted a total of 166,529 shares of Series A for an aggregate of 16,652,900 shares of restricted common stock in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages. During the same period, one investor in Series C preferred stock converted a total of 20,000 shares of Series C for an aggregate of 2,000,000 shares of restricted common stock and six investors in Series D preferred stock converted a total of 8,400,000 shares of Series D for an aggregate of 8,400,000 shares of restricted common stock, all in accordance with their conversion rights which includes a blocker with respect to individual ownership percentages.

On June 2, 2015, the Company sold an aggregate of 4,000,000 units in a private placement of its securities to certain investors at a purchase price of $0.25 per unit pursuant to subscription for an aggregate purchase price of $985,725, net of $14,275 financing fees. Each unit consists of one share of the Company’s Series G Convertible Preferred Stock, par value $0.0001 per share, each of which is convertible into one share of Common Stock, with such rights and designations as set forth in the Certificate of Designation.

On June 2, 2015, as a result of the sale of the Series G Preferred Stock, the Company issued 2,700,000 shares of Series E Convertible Preferred Stock, which are convertible into an aggregate of 2,700,000 shares of Common Stock, to existing holders of Series E Preferred Stock, in connection with certain anti-dilution rights associated with their purchase of such shares.

On June 2, 2015, the Company received the consent of at least a majority of its holders of Series F Convertible Preferred Stock to consummate the Series G Private Placement, as required under the terms of that investment. In consideration for the foregoing consent, the Company issued all holders of its Series F Preferred Stock an aggregate of an additional 2,200,666 shares of Series F Preferred Stock, which are convertible into an aggregate of 2,200,666 shares of common stock.

During the three months ended June 30, 2015, 29,500,000 options were granted to employees and a director for service provided. Of these, 10,000,000 options were immediately vested and were granted with an exercise price of $0.15 and the expiration date is May 18, 2018. Another 10,000,000 options vest over two years or upon the up listing of the Company’s stock and were granted with an exercise price of $0.15 and the expiration date is June 1, 2018. Another option for 1,500,000 shares vesting over three years was granted with an exercise price of $0.27 and the expiration date is May 4, 2019. A director received two options. The first was for 3,000,000 shares vesting over two years and was granted with an exercise price of $0.25 and the expiration date is June 1, 2018. The second was for 5,000,000 shares with vesting tied to performance and was granted with an exercise price of $0.25 and the expiration date is June 1, 2018.

For the three month period ended June 30, 2015, 1,500,000 warrants were granted to two consultants for service provided. One consultant was granted 1,000,000 warrants with exercise price of $0.25, vesting over two years and the expiration date is June 16, 2018. The other consultant was granted 500,000 warrants with exercise price of $0.25, vesting over one year and the expiration date is June 25, 2018.

The securities referenced above were offered and sold solely to “accredited investors” in reliance on the exemption from registration afford by Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

Item 6. Exhibits

31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Calculation Linkbase Document
101 LAB	XBRL Taxonomy Labels Linkbase Document
101 PRE	XBRL Taxonomy Presentation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DRONE AVIATION HOLDING CORP.

Date: August 14, 2015	By: /s/ FELICIA HESS Felicia Hess Chief Executive Officer (Principal Executive Officer)
Date: August 14, 2015	By: /s/ KENDALL CARPENTER Kendall Carpenter Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 31.01

CERTIFICATION

I, Felicia Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Drone Aviation Holding Corp.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: August 14, 2015

/s/ FELICIA HESS
Felicia Hess
(Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.02

CERTIFICATION

I, Kendall Carpenter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Drone Aviation Holding Corp.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 14, 2015

/s/ KENDALL CARPENTER

Kendall Carpenter
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.01

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Felicia Hess, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Drone Aviation Holding Corp. on Form 10-Q for the fiscal quarter ended June 30, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Drone Aviation Holding Corp.

Date: August 14, 2015

By: /s/ FELICIA HESS
Name: Felicia Hess
Title: Chief Executive Officer (Principal Executive Officer)

I, Kendall Carpenter, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Drone Aviation Holding Corp. on Form 10-Q for the fiscal quarter ended June 30, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Drone Aviation Holding Corp.

Date: August 14, 2015

By: /s/ KENDALL CARPENTER
Name: Kendall Carpenter
Title: Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)