

As filed with the Securities and Exchange Commission on June 2, 2022

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

**FORM S-3/A
Amendment No. 1**

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RED CAT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada(State or jurisdiction of
incorporation or organization)**7372**(Primary Standard Industrial
Classification Code Number)**86-0490034**(I.R.S. Employer
Identification No.)

**15 Ave. Munoz Rivera Ste 5
San Juan, PR 00901
(833) 373-3228**

(Address, including zip code, and telephone number, including area code of registrant's principal executive offices)

VCorp. Services, LLC
702 N. Carson St., Suite 200
Carson City, NV 89701
(888) 528-2677

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Joe Laxague, Esq.
The Crone Law Group, P.C.
1 East Liberty, Suite 600
Reno, NV 89501
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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer
Non-accelerated filer
Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

The information contained in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy



RED CAT HOLDINGS

Investing in the future of drones

Red Cat Holdings, Inc.

12,333,033 Shares of Common Stock

This prospectus relates to the proposed resale or other disposition from time to time of up to 12,333,033 shares of common stock, \$0.001 par value per share, of Red Cat Holdings, Inc. (the “Company”) by the selling shareholders identified in this prospectus. We are not selling any shares of common stock under this prospectus and will not receive any of the proceeds from the sale or other disposition of common stock by the selling shareholders.

The selling shareholders or their pledgees, assignees or successors-in-interest may offer and sell or otherwise dispose of the shares of common stock described in this prospectus from time to time through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. The selling shareholders will bear all commissions and discounts, if any, attributable to the sales of such shares. We will bear all other costs, expenses and fees in connection with the registration of such shares. See “Plan of Distribution” beginning on page 5 for more information about how the selling shareholders may sell or dispose of its shares of common stock.

Our common stock is listed on The Nasdaq Capital Market under the symbol “RCAT.” The last reported per share price for our common stock was \$2.06, as quoted on The Nasdaq Capital Market on May 27, 2022.

Investing in our common stock involves a high degree of risk. Before deciding whether to invest in our common stock, you should consider carefully the risks that we have described on page 3 of this prospectus under the caption “Risk Factors” and in the documents incorporated by reference into this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 2, 2022.

2

TABLE OF CONTENTS

	Page
About this Prospectus	4
Cautionary Statement Regarding Forward-Looking Statements	4
Prospectus Summary	5
Risk Factors	8
Use of Proceeds	8
Selling Shareholders	8
Plan of Distribution	10
Legal Matters	11
Experts	11
Where you can find more information	11
Incorporation of Certain Documents by Reference	12

You should rely only on information contained in this prospectus. We have not authorized anyone to provide you with additional information or information different from that contained in this prospectus. Neither the delivery of this prospectus nor the sale of our securities means that the information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or the solicitation of an offer to buy our securities in any circumstances under which the offer or solicitation is unlawful or in any state or other jurisdiction where the offer is not permitted.

3

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the “SEC”), pursuant to which the selling shareholders may, from time to time, offer and sell or otherwise dispose of the securities covered by this prospectus. You should not assume that the information contained in this prospectus is accurate on any date subsequent to the date set forth on the front cover of this prospectus or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus is delivered or securities are sold or otherwise disposed of on a later date. It is important for you to read and consider all information contained in this prospectus, including the information incorporated by reference into this prospectus, in making your investment decision. You should also read and consider the information in the documents to which we have referred you under the captions “Where You Can Find More

Information” and “Important Information Incorporated by Reference” in this prospectus.

Neither we nor the selling shareholders have authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You should not rely upon any information or representation not contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of our securities other than the securities covered hereby, nor does this prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about, and to observe, any restrictions as to the offering and the distribution of this prospectus applicable to those jurisdictions.

We further note that the representations, warranties and covenants made in any agreement that is filed as an exhibit to any document that is incorporated by reference in the prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

The terms “Red Cat,” “Red Cat Holdings,” the “Company,” “we,” “our” or “us” in this prospectus refer to Red Cat Holdings, Inc., unless the context suggests otherwise.

This prospectus does not constitute, and any prospectus supplement or other offering materials related to an offering of securities described in this prospectus will not constitute, an offer to sell, or a solicitation of an offer to purchase, the offered securities in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation in such jurisdiction.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Such statements include statements regarding our expectations, hopes, beliefs or intentions regarding the future, including but not limited to statements regarding our market, strategy, competition, development plans (including acquisitions and expansion), financing, revenues, operations, and compliance with applicable laws. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include the risks described in greater detail in the following paragraphs. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement. Market data used throughout this prospectus is based on published third party reports or the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information.

4

PROSPECTUS SUMMARY

Company Overview

The Company’s business is to provide products, services and solutions to the drone industry. We design, develop, market, and sell drone software and products. Our business emphasis focusses on drones piloted with wearable display devices. These are head mounted displays (“HMDs”) for pilots. HMDs give pilots “first person view” (“FPV”) perspective to control their drone in flight. This is a unique experience where the pilot is interacting with an aircraft through visual immersion. In this augmented virtual reality, the pilot sees only what the drone sees, as if sitting in the pilot seat. This experience is accomplished by live streaming footage from a camera mounted on the nose of the drone directly into specially-designed goggles worn by the pilot. The image is transmitted via radio (traditionally analog but increasingly digital) to the pilot. The drone remote control unit, the drone device, and the FPV goggles are all inter-connected via radio. This effect requires sophisticated electronics that transmits visual information with sufficient speed and reliability to allow pilot control over the drone in real-time. Pilots routinely achieve speeds of over 90 mph in racing and other mission critical applications. An FPV pilot must experience a near complete transfer of their visual consciousness into the body of their piloted device.

There are three common categories of FPV flight – freestyle flight, racing and aerial photography. In freestyle the pilot navigates around obstacles, focused on acrobatics and exploring the environment around the aircraft through the HMD. This type of flight includes remote utility and crop inspection with onboard navigation and special equipment, such as moisture or heat sensors, and package delivery. FPV racing describes a growing spectator sport where pilots fly their drones in competitions through a series of obstacles, flags, and gates in a racetrack. Aerial photography is the process of viewing and recording a subject matter from the air from the viewpoint of the pilot.

We sell flight design cameras, video transmitters, goggles, as well as the mounts, airframes and accessories to build or operate drone aircraft. We design, develop, assemble and sell each of these FPV components individually and in packages. We believe that our products have become favorites in FPV racing and we sponsor several racing teams and pilots. We purchase and resell drones and components from leading manufacturers, including the industry leader Da Jiang Innovations (“DJI”) and custom design and build our own line of branded products. Approximately 50% of our revenue has historically been generated as a reseller and the balance from sale of branded products prior to our recent acquisition of Fat Shark Holdings, Ltd. (“Fat Shark”). In addition, we are developing a blockchain-based black box to enhance reliability and reporting of drone performance and operations as software as a service (“SaaS”). Red Cat’s Dronebox software and platform enable an easy-to-use flight log system that keeps clients compliant with regulators and helps track and collect critical drone data and feed the data to various applications. The software and platform use a patent-pending blockchain-based cloud architecture. To keep the data secure, we hash each log file on our private block chain, proving that the data is immutable and reliable. Reliable data is mandatory for regulators and insurance companies and is essential for analyzing drone flights and effective drone fleet management. Through our blockchain-based black box for drones, we can offer one easy to use system for analytics and services. By applying machine learning to the log files, we can prevent drone flight problems before they happen through artificial intelligence. We charge a monthly recurring fee for each drone in the customer’s drone fleet. We store all flight logs, photos, and videos from the black box service, which allows detailed flight replay.

The target market for drone services in the commercial and civil markets is focused on the need to inspect and/or survey equipment, structures, insurance

Inspection and survey drone services for the industry is estimated to be a \$21 billion market. We market through social media and attract buyers to our ecommerce platforms. We maintain a robust presence on Facebook and YouTube where we sponsor competitions and provide education. Sports networks, and sponsors such as NBC, Sky, Liberty Media, Fox Sports, MGM, Hearst, Twitter, ProSieben, Groupe AB and Weibo broadcast and sponsor global events where professional pilots and amateurs compete for prizes and sponsorships. Drone racing is a global sport with chapters, leagues, and pilots and established guidelines, rules and regulations for participation adopted by organizations such as MultiGP, Drone Racing League (“DRL”), IUDRO, DR1 Racing, Rotomatch League, FPVR, and Freespace Drone Racing. Pilots specially design their custom-built aircraft, selecting and customizing frames, motors, propellers and controllers for speed and maneuverability from Rotor Riot. Rotor Riot sponsors a team of six of the leading pilots on the competitive FPV racing circuit, including the 2019 and 2018 Drone Racing League champion. Drone pilots and spectators alike experience real-time flight through their own HMD. In 2015 Fat Shark sponsored the first annual US National Drone Racing Championships held at the California State Fair with a prize of \$25,000. Subsequent events featured prizes of up to \$1 million. Rotor Riot has a social network of over 215,000 youtube subscribers, 68,000 instagram followers. This gives us quick access to a large number of commercial pilots for beta testing, product enhancements, and remote drone piloting.

On November 2, 2020, we acquired Fat Shark through a share purchase agreement with our wholly-owned subsidiary FS Acquisition Corp. Fat Shark was founded in 2007. Its primary business is the sale of consumer electronics products to the first-person view (FPV) sector of the drone industry. Fat Shark’s flagship products are headsets with a built in display (or “goggles”) that allow a pilot to see a real-time video feed from a camera mounted on an aerial platform. Fat Shark is also developing Shark Byte, a digital video downlink to allow for the low latency transmission from the camera on the drone. This technology is designed to replace the analog platforms currently used for FPV.

On May 4, 2021, we closed a firm commitment underwritten public offering (the “Underwritten Offering”) in which it sold an aggregate of 4,000,000 shares of the Company’s common stock, par value \$0.001 per share, at a public offering price of \$4.00 per share to underwriters, ThinkEquity, a division of Fordham Financial Management, Inc., as representative of the underwriters (the “ThinkEquity”), pursuant to a registration statement on Form S-1, as amended (File No. 333-253491), filed with the Securities and Exchange Commission (the “Commission”), which was declared effective by the Commission on April 29, 2021. The Offering closed on May 4, 2021.

On May 7, 2021, we closed the acquisition of Skypersonic, Inc., (“Skypersonic”) a Michigan corporation. The acquisition of Skypersonic was made pursuant to Share Purchase and Liquidity Event Agreements among the Company, Red Cat Skypersonic, Inc., a Nevada corporation and our wholly-owned subsidiary, Giuseppe Santangelo the founder and majority shareholder of Skypersonic, and certain holders of common stock and SAFE agreements representing 97.46% of Skypersonic (the “Sellers”) and Wayne State University Anderson Engineering Ventures Institute. Pursuant to the Agreements, we acquired all of the issued and outstanding share capital of Skypersonic in exchange for issuance of \$3,000,000 of our common stock, at the Volume Weighted Average Price (VWAP) of our common stock on May 7, 2021 of \$4.0154 per share. At closing, we issued 857,124 shares common stock to the Sellers.

Skypersonic, Inc., is a provider of drone products and software solutions that enable drone inspection flights that can be executed by pilots anywhere in the world. Skypersonic powers drones to “Fly Anywhere” and “Inspect the Impossible”. Its patented software and hardware solutions allow for inspection services in restricted spaces where GPS is not allowed or available. Skycopier is a miniature drone fitted into a cage to avoid damage to inspected areas and the drone. Skyloc is a stand-alone, real time, software system which enables the drone to record and transmit inspection data while being operated from thousands of miles away. Skypersonic’s intellectual property portfolio includes eight US and European patents.

On July 18, 2021, The Company entered into an underwriting agreement (the “Underwriting Agreement”) with ThinkEquity, a division of Fordham Financial Management, Inc., as representative of the underwriters (the “ThinkEquity”), pursuant to which on July 21, 2021, the Company sold to the underwriters in a firm commitment underwritten public offering (the “Offering”) an aggregate of 13,333,334 shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at a public offering price of \$4.50 per share. The shares of Common Stock were offered by the Company pursuant to a registration statement on Form S-3, as amended (File No. 333-256216), filed with the Securities and Exchange Commission (the “Commission”), which was declared effective by the Commission on June 14, 2021 (the “Registration Statement”), and a Supplement to the Prospectus contained in the Registration Statement filed with the Commission on July 19, 2021.

On August 31, 2021, we closed on the acquisition of Teal Drones Inc., (“Teal”) a Delaware corporation. Our acquisition of Teal was made pursuant to an Agreement and Plan of Merger by and among Red Cat Holdings, Inc., Teal Acquisition I Corp., a Delaware corporation (“Acquisition”) and our wholly-owned subsidiary, and Teal, as amended and restated August 31, 2021 (the “Merger Agreement”).

Teal is a leader in commercial and government unmanned aerial vehicle (“UAV”) technology and manufactures the Golden Eagle drone, approved by the US Department of Defense for reconnaissance, public safety, and inspection applications.

Pursuant to the Merger Agreement, we acquired all of the issued and outstanding share capital of Teal in exchange for \$14,000,000 of our common stock, par value \$0.001 per share (“Common Stock”) at the Volume Weighted Average Price (VWAP) of our Common Stock on August 31, 2021 of \$2.908 per share, reduced by the amount of Teal debt assumed consisting of approximately \$1.67 million payable to Decathlon Alpha IV, L.P., (“DA4”), approximately \$771,000 payable to other creditors and approximately \$686,000 in working capital deficit, for a net closing date payment of \$10,872,753.19. At closing, we issued 3,738,911 shares of our Common Stock (the “Merger Consideration”). On August 31, 2021, the Company, Acquisition, Teal and George Matus, as Shareholder Representative, entered into an Escrow Agreement with Equity Stock Transfer, LLC. Fifteen (15%) percent of the Merger Consideration (the “Escrow Shares”) was deposited in an escrow account as security for working capital adjustments and indemnification obligations for a period of eighteen (18) months under the Merger Agreement. The indemnification obligations feature a basket amount of fifty-thousand dollars (\$50,000) before any claim can be asserted and is subject to a cap equal to the value of the Escrow Shares. George Matus, founder of Teal, will continue in the role of Chief Executive Officer of Teal pursuant to an employment agreement entered August 31, 2021.

The consideration payable under the Merger Agreement may be increased upon the achievement of certain milestones set forth in the Merger

Agreement (the “Earn-Out Consideration”). The Earn-Out Consideration, if earned, is issuable at the VWAP of the Company within thirty (30) days of the determination that Earn-Out Consideration is payable. Additional shares of Common Stock may become issuable by the Company in the event that within twenty-four (24) months following closing of the Merger, Teal realizes certain revenue targets:

- A total of Sixteen Million Dollars (\$16,000,000) in additional shares of Common Stock may become issuable in the event that sales and services of Teal’s Golden Eagle drones shall have equaled at least Thirty-six Million Dollars (\$36,000,000). Assuming the applicable share price under the 30-day VWAP calculation were \$2.00, 8,000,000 shares would be issuable by us upon achievement of this milestone.
- A total of Ten Million Dollars (\$10,000,000) in additional shares of Common Stock may become issuable in the event that sales and services of Teal’s Golden Eagle drones shall have equaled at least \$24 million (\$24,000,000) but less than \$36 million (\$36,000,000). Assuming the applicable share price under the 30-day VWAP calculation were \$2.00, 5,000,000 shares would be issuable by us upon achievement of this milestone.
- A total of Four Million Dollars (\$4,000,000) in additional shares of Common Stock may become issuable in the event that sales and services of Teal’s Golden Eagle drones shall have equaled at least Eighteen Million Dollars (\$18,000,000) but less than Twenty-Four Million Dollars (\$24,000,000). Assuming the applicable share price under the 30-day VWAP calculation were \$2.00, 2,000,000 shares would be issuable by us upon achievement of this milestone.

To date, Teal has generated a total of \$1,711,000 in revenue since the closing of the merger.

Our internet address is www.redcatholdings.com. Information on our website is not incorporated into this prospectus.

Risk Factors

Our business is subject to numerous risks. For a discussion of the risks you should consider before purchasing shares of our common stock, see “Risk Factors” on page 3 of this prospectus.

The Offering

This prospectus relates to the proposed resale or other disposition from time to time of up to 12,333,033 shares of our common stock, \$0.001 par value per share, by the selling shareholders identified in this prospectus. See “Selling Shareholders” and “Plan of Distribution.”

The selling shareholders may offer to sell the shares being offered pursuant to this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices. Our common stock is listed on the Nasdaq Capital Market under the symbol “RCAT.”

We will not receive any of the proceeds from the sale of shares of our common stock in this offering.

RISK FACTORS

Any investment in our securities involves a high degree of risk. Investors should carefully consider the risks described below and all of the information contained in this prospectus before deciding whether to purchase our securities. Our business, financial condition and results of operations could be materially adversely affected by these risks if any of them actually occur. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this prospectus.

If we do not hold an annual meeting of shareholders within the near future, we face a risk that our common stock could be delisted from the Nasdaq Stock Market.

On May 2, 2022, we received notice from The Nasdaq Stock Market (“Nasdaq”) that, because we have not yet held an annual meeting of shareholders within twelve months of the end of our April 30, 2021 fiscal year, we are out of compliance with the Nasdaq rules for continued listing (Listing Rules 5620(a) and 5810(c)(2)(G)). Under the applicable Nasdaq rules, we now have 45 calendar days to submit a plan to regain compliance. If Nasdaq accepts our plan, we may be granted an exception of up to 180 calendar days from our most recent fiscal year end, or until October 27, 2022, to regain compliance. In response to the notice, we intend to schedule an annual meeting of shareholders within a time frame sufficient to regain compliance with applicable listing rules. If, however, we are unable to schedule and properly conduct an annual shareholder meeting within the near future, or if Nasdaq is no in agreement with our plans in this regard, we face a risk that our common stock could be delisted from the exchange. In that event, the value of our common stock could decline drastically and existing shareholders may face difficulties in liquidating their shares.

Certain forum selection provisions in our articles of incorporation may not be enforceable.

Our Amended and Restated Articles of Incorporation contain provisions requiring that certain shareholder suits, including (i) any derivative action or proceeding brought on behalf of the company; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the company to the company or the company’s stockholders; (iii) any action asserting a claim against the company arising pursuant to any provision of the Nevada Revised Statutes, the Articles of Incorporation, or the Bylaws of the company; or (iv) any action asserting a claim against the company governed by the internal affairs doctrine. These provisions do not (and do not purport to) waive any substantive shareholder rights, and instead specify that any suit covered by the provisions must be brought in the state or federal courts located in Washoe County, Nevada. To the extent that any such shareholder suit were to allege a violation of the Securities Act or the Exchange Act, it is uncertain whether the forum selection provisions in our Articles of Incorporation would be enforced by the courts. Investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, and concurrent federal and state jurisdiction lies over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

In the event that certain milestones are achieved by our Teal Drones subsidiary, we will be required to issue a substantial number of additional

shares of common stock to the former owners of Teal Drones, resulting in dilution to existing shareholders.

As discussed above, the consideration payable under our Merger Agreement with Teal Drones may be increased upon the achievement of certain milestones set forth in the Merger Agreement (the “Earn-Out Consideration”). The Earn-Out Consideration, if earned, is issuable at the VWAP of the Company within thirty (30) days of the determination that Earn-Out Consideration is payable. Additional shares of Common Stock may become issuable by the Company in the event that within twenty-four (24) months following closing of the Merger, Teal realizes certain revenue targets. As an illustration, using \$2.00 per share (a typical recent share price) as the hypothetical VWAP applicable to the Earn-Out Consideration, we would be required to issue 8,000,000 new shares of our common stock (an increase of approximately 15% over our current shares outstanding) if the highest milestone were achieved by Teal Drones within the next 24 months. To date, Teal has generated a total of \$1,711,000 in revenue since the closing of the merger. Depending on whether Teal Drones achieves a milestone, which milestone is achieved, and our share price at the applicable time, investors in our common stock could face substantial dilution as a result of the earn-out provisions of the Teal Drones merger.

Investing in our securities involves a high degree of risk. Before making an investment decision, you should consider carefully the additional risks, uncertainties and other factors described in our most recent Annual Report on Form 10-K, as supplemented and updated by subsequent quarterly reports on Form 10-Q and current reports on Form 8-K that we have filed or will file with the SEC, which are incorporated by reference into this prospectus.

Our business, affairs, prospects, assets, financial condition, results of operations and cash flows could be materially and adversely affected by these risks. For more information about our SEC filings, please see “Where You Can Find More Information”.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares of our common stock in this offering. The selling shareholders will receive all of the proceeds from this offering.

SELLING SHAREHOLDERS

The shares of common stock being offered by the selling shareholders are shares previously issued to the selling shareholders. We are registering the shares of common stock in order to permit the selling shareholders to offer the shares for resale from time to time.

The table below lists the selling shareholders and other information regarding the beneficial ownership of the shares of common stock by each of the selling shareholders. The second column lists the number of shares of common stock beneficially owned by each selling shareholder as of May 31, 2022. The third column lists the shares of common stock being offered by this prospectus by the selling shareholders.

8

The selling shareholders may sell all, some or none of their shares in this offering. See “Plan of Distribution.”

Name of Selling Shareholder	Number of Shares of Common Stock Owned Prior to Offering	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus	Number of Shares of Common Stock Owned After Offering	Percentage of Common Stock to be Owned After Offering
Jeffrey M. Thompson	12,697,438 ^a	6,000,000	6,697,438	12.34%
Gregory French	4,031,442	2,000,000	2,031,442	3.78%
Cavalry Fund I LP	2,085,805 ^b	1,020,065	1,065,740	1.98%
Nicholas Liuzza	1,369,857 ^c	1,174,435	195,422	0.36%
Allan Evans	1,345,382 ^d	633,705	711,677	1.32%
Michael Laughlin	549,833	471,521	78,312	0.15%
Joseph Freedman	354,543 ^e	95,477	259,066	0.48%
Thomas Jenkins	237,532 ^f	237,532	—	—
Patrick Bowen	237,532 ^f	237,532	—	—
Paul Rabinowitz	230,949	172,058	58,891	0.11%
FirstFire Global Opportunities Fund LLC	172,156 ^g	172,156	—	—
US Commonwealth Life, A.I. Policy No. 2013-17	67,500 ^h	67,500	—	—
Kevin Hudy	51,052	51,052	—	—

(a) Includes 12,182,438 shares of common stock, 500,000 shares issuable upon the exercise of options, and 15,000 shares issuable upon the exercise of call options.

(b) Includes 1,065,740 shares of common stock, 201,666 shares issuable upon the exercise of warrants and 818,399 shares of common stock issuable upon the conversion of Series B Preferred Stock. Thomas Walsh is the Managing Member of Cavalry Fund I LP, and in that capacity, has authority over investment and voting decisions regarding its common stock.

(c) Consists of 929,869 shares of common stock, 335,000 shares issuable upon the exercise of warrants, 100,000 shares issuable upon the exercise of options, and 4,988 shares of restricted stock vesting in the next 60 days

(d) Represents 1,057,503 shares of common stock and 287,879 shares issuable upon the vesting of restricted stock

(e) Includes 127,195 shares of common stock, 225,000 shares issuable upon the exercise of options, and 2,348 shares of restricted stock vesting in the next 60 days

(f) Includes 102,532 shares of common stock and 135,000 shares issuable upon the exercise of warrants

(g) Eli Fireman is the Managing Member of FirstFire Global, and in that capacity, has authority over investment and voting decisions regarding its common stock.

(h) Represents 67,500 shares of common stock issuable upon the exercise of warrants

PLAN OF DISTRIBUTION

Each selling shareholder (the “Selling Shareholders”) of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal trading market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Shareholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Shareholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Shareholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2121; and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.

In connection with the sale of the securities or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Shareholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Shareholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each of the Selling Shareholders has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the shares of common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the shares of common stock by the Selling Shareholders or any other person. We will make copies of this prospectus available to the Selling Shareholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

The Crone Law Group, P.C. has opined on the validity of the securities being offered hereby.

EXPERTS

The consolidated financial statements of the Company as of April 30, 2021 and 2020, and for the years then ended included in this prospectus have been so included in reliance on the report of BF Borgers, CPA, PC an independent registered public accounting firm, which includes an explanatory paragraph about the Company's ability to continue as a going concern, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of the acquired company Teal Drones, Inc. as of December 31, 2020, and for the year then ended included in this prospectus have been so included in reliance on the report of BF Borgers, CPA, PC an independent registered public accounting firm.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, along with other information with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>.

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC to register the securities offered hereby under the Securities Act of 1933, as amended. This prospectus does not contain all of the information included in the registration statement, including certain exhibits and schedules. You may obtain the registration statement and exhibits to the registration statement from the SEC's internet site.

11

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus is part of a registration statement filed with the SEC. The SEC allows us to "incorporate by reference" into this prospectus the information that we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. The following documents are incorporated by reference and made a part of this prospectus:

- our [Annual Report on Form 10-K for the year ended April 30, 2021 filed with the SEC on August 12, 2021, as amended on Form 10-K/A filed with the SEC on August 17, 2021;](#)
- our [Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2021 filed with the SEC on September 20, 2021;](#)
- our [Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2021 filed with the SEC on December 20, 2021;](#)
- our [Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2022 filed with the SEC on March 17, 2022;](#)
- our [Current Reports on Form 8-K filed with the SEC on September 7, 2021; September 17, 2021; November 16, 2021; February 16, 2022; March 7, 2022; and March 14, 2022;](#) and
- the description of our common stock contained in our [Registration Statement on Form 8-A filed with the SEC on March 11, 2021](#), including any amendment or report filed for the purpose of updating such description.

All documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act: (i) after the date of the initial registration statement and prior to its effectiveness; and (ii) subsequent to the effective date of this registration statement and prior to the filing of a post-effective amendment to this registration statement that indicates that all securities offered under this prospectus have been sold, or that deregisters all securities then remaining unsold; will be deemed to be incorporated in this registration statement by reference and to be a part hereof from the date of filing of such documents. Nothing in this prospectus shall be deemed to incorporate information furnished but not filed with the SEC (including without limitation, information furnished under Item 2.02 or Item 7.01 of Form 8-K, and any exhibits relating to such information).

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in the applicable prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes the statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

The information about us contained in this prospectus should be read together with the information in the documents incorporated by reference. You may request a copy of any or all of these filings, at no cost, by writing or telephoning us at:

Red Cat Holdings, Inc.
370 Harbour Drive
Palmas del Mar, Humacao, PR, 00791
(833) 373-3228.

PART II

INFORMATION NOT REQUIRED IN A PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth an itemization of the various expenses payable by the registrant in connection with the sale of securities being registered. All amounts are estimates except for the SEC registration fee.

Item	Amount to be paid
SEC registration fee	\$ 2,336.50
Legal fees and expenses	5,000
Accounting fees and expenses	—
Miscellaneous expenses	—
Total	\$ 7,336.50

Item 15. Indemnification of Directors and Officers.

Section 78.7502(1) of the Nevada Revised Statutes (“NRS”) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (except an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if such person: (i) is not liable for a breach of fiduciary duties that involved intentional misconduct, fraud or a knowing violation of law; or (ii) acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

NRS Section 78.7502(2) further provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including amounts paid in settlement and attorneys’ fees actually and reasonably incurred in connection with the defense or settlement of the action or suit if such person: (i) is not liable for a breach of fiduciary duties that involved intentional misconduct, fraud or a knowing violation of law; or (ii) acted in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (1) and (2) of NRS Section 78.7502, as described above, or in defense of any claim, issue or matter therein, the corporation shall indemnify him or her against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense.

The articles of incorporation, as amended, and the amended and restated bylaws of the Company provide that the Company shall, to the fullest extent permitted by the NRS, as now or hereafter in effect, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (i) is not liable pursuant to NRS Section 78.138; or (ii) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Under the terms of an Indemnification Agreement, subject to certain exceptions specified in the Indemnification Agreement, we have also agreed to indemnify our officers and directors (the “Indemnitees”) to the fullest extent permitted by Nevada law in the event the Indemnitee becomes subject to or a participant in certain claims or proceedings as a result of the Indemnitee’s service as a director or officer. We will also, subject to certain exceptions and repayment conditions, advance to the Indemnitees specified indemnifiable expenses incurred in connection with such claims or proceedings.

Item 16. Exhibits and Financial Statement Schedules

Exhibit No.	Description
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- 1.1 [Underwriting Agreement, dated July 18, 2021, between the Company and ThinkEquity, as Representative of the Several Underwriters \(incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on July 19, 2021\)](#)
- 1.2 [Underwriting Agreement, dated April 29, 201 between the Company and ThinkEquity \(incorporated by reference to Exhibit 1.1. to the Company's Current Report on Form 8-K dated with the SEC on April 30, 2021\)](#)
- 2.1 [Agreement and Plan of Merger \(incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on September 13, 2016\)](#)
- 2.2 [Articles of Merger- Nevada \(incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on September 13, 2016\)](#)
- 2.3 [Articles of Merger- Arizona \(incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed with the SEC on September 13, 2016\)](#)
- 2.4 [Agreement of Merger, dated January 23, 2019, among the Company, Rotor Riot Acquisition, LLC and the stockholder signatory thereon \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2020\)](#)
- 2.5 [Amendment No. 1 to the Agreement of Merger, dated December 31, 2019, among the Company, Rotor Riot Acquisition, LLC and the stockholder signatory thereon \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2020\)](#)
- 2.6 [Amendment No. 2 to the Agreement of Merger, dated December 31, 2019, among the Company, Rotor Riot Acquisition, LLC and the stockholder signatory thereon \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2020\)](#)
- 3.1 [Amended and Restated Articles of Incorporation, dated July 17, 2019 \(incorporated by reference to Exhibit B to the Company's Schedule 14C Information Statement filed with the SEC on July 2, 2019\)](#)
- 3.2 [Amended and Restated Bylaws \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 17, 2021\)](#)
- 3.3 [Certification of Designation of Series A Preferred Stock \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 12, 2018\)](#)
- 3.4 [Certification of Designation of Series E Convertible Preferred Stock \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 4, 2018\)](#)

14

- 3.5 [Amendment No. 1 to Certification of Designation of Series E Convertible Preferred Stock \(incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on January 4, 2018\)](#)
- 3.6 [Certificate of Withdrawal, dated May 13, 2019 of Certification of Designation of the Series A Preferred Stock, dated December 6, 2018, Series E Convertible Preferred Stock, dated January 3, 2018 and the Amendment to the Certification of Designation of the Series E Convertible Preferred Stock, dated January 3, 2018 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 3.7 [Certification of Designation of Series A Preferred Stock, dated May 10, 2019 \(incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 3.8 [Certification of Designation of Series B Preferred Stock, dated May 10, 2019 \(incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 5.1 [Opinion of The Crone law Group, P.C. as to the legality of the securities being registered*](#)
- 10.1 [Form of Senior Convertible Note \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 6, 2019\)](#)
- 10.2 [Share Exchange Agreement, dated as of May 13, 2019, among TimefireVR, Inc. \(Timefire"\), Red Cat Propware, Inc. and Red Cat Propware, Inc's. shareholders \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.3 [Warrant, dated May 6, 2019, issued to Calvary Fund I LP \("Calvary"\) \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.4 [Restricted Stock Unit Agreement, dated May 15, 2019, between Timefire and Jonathan Read \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.5 [Securities Exchange Agreement, dated May 13, 2019, between Timefire and Calvary \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.6 [Securities Exchange Agreement, dated May 13, 2019, between Timefire and L1 Capital Global Opportunity Master Fund Ltd. \(incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.7 [Securities Exchange Agreement, dated May 13, 2019, between Timefire and Digital Power Lending, LLC \(incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.8 [Securities Exchange Agreement, dated May 13, 2019, between Timefire and Gary Smith \(incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.9 [Securities Exchange Agreement, dated May 13, 2019, between Timefire and Edward Slade Mead \(incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.1 [Redemption Letter for Series A Preferred Stock, dated May 9, 2019, from Timefire to Jonathan \(incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2019\)](#)
- 10.11 [2019 Equity Incentive Plan \(incorporated by reference to Exhibit C to the Company's Schedule 14C Information Statement filed with the SEC on July 2, 2019\)](#)
- 10.12 [\\$175,000 Promissory Note, dated January 23, 2020, issued to Brains Riding in Tanks, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2020\)](#)
- 10.13 [Make Whole Agreement, dated January 23, 2020, among the Company, Brains Riding in Tanks, LLC, Rotor Riot, LLC and Chad Kapper \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2020\)](#)

15

10.14	Share Purchase and Liquidity Event Agreements, dated February 11, 2021, among the Company, Giuseppe Santangelo, the holders of common stock and SAFE agreements representing 97.46% of Skypersonic (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 17, 2021)
10.15	Agreement and Plan of Merger, dated July 13, 2021, among the Company, Teal Drones, Inc and Teal Acquisition I Corp. and stockholders of Teal Drones, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 14, 2021)
10.16	Executive Employment Agreement with Jeffrey Thompson, dated March 31, 2021 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on April 6, 2021)
10.17	Employment Agreement with Joseph Herson, dated July 1, 2021 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on July 2, 2021)
10.18	Consulting Agreement Joseph Freedman, dated July 7, 2021 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on July 8, 2021).
10.19	Amended and Restated Agreement and Plan of Merger dated as of August 31, 2021, by and among Teal Drones, Inc., Red Cat Holdings, Inc., and Teal Acquisition I Corp. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021)
10.20	Amended and Restated Loan and Security Agreement dated as of August 31, 2021, by and between Teal Drones, Inc. and Decathlon Alpha IV, L.P. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021)
10.21	Joinder Agreement dated as of August 31, 2021, by and between Red Cat Holdings, Inc. and Decathlon Alpha IV, L.P. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021)
10.22	Escrow Agreement dated as of August 31, 2021, by and between Red Cat Holdings, Inc. Teal Acquisition I Corp., Teal Drones, Inc., George Matus, as Shareholder Representative, and Equity Stock Transfer, LLC. (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021)
10.23	Employment Agreement dated as of September 1, 2021 with George Matus. (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021)
10.24	Form of Indemnification Agreement of Red Cat Holdings, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on September 17, 2021)
21.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 of the Company's Annual Report on Form 10-K filed with the SEC on August 12, 2021)
23.1	Consent of Independent Registered Public Accounting Firm*
23.2	Consent of The Crone Law Group, P.C. (included as part of Exhibit 5.1)
107	Filing Fee Table (Incorporated by reference to Registration Statement on Form S-3 filed May 6, 2022)

* Filed herewith

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

16

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, Paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form S-3 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed

prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

17

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The registrant hereby undertakes that for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

18

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Humacao, Puerto Rico on May __, 2022.

RED CAT HOLDINGS, INC.

By: /s/ Jeffery M. Thompson
Jeffrey M. Thompson
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Joseph Herson
Joseph Herson
Chief Financial Officer
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

We, the undersigned officers and directors of Red Cat Holdings, Inc. hereby severally constitute and appoint Jeffrey M. Thompson and Joseph Herson, our true and lawful attorney-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, and in any and all capacities, to sign for us and in our names in the capacities indicated below any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jeffrey M. Thompson</u> Jeffrey M. Thompson	President, Chief Executive Officer, and Director (Principal executive officer)	June 2, 2022
<u>/s/ Joseph Herson</u> Joseph Herson	Chief Financial Officer (Principal financial and accounting officer)	June 2, 2022
<u>/s/ Joseph Freedman</u> Joseph Freedman	Director	June 2, 2022
<u>/s/ Nicholas Liuzza Jr.</u> Nicholas Liuzza Jr.	Director	June 2, 2022
<u>/s/ Jonathan Read</u> Jonathan Read	Director	June 2, 2022
<u>/s/ Christopher R. Moe</u> Christopher R. Moe	Director	June 2, 2022



Joe Laxague
Partner
jlaxague@cronelawgroup.com

1 East Liberty, Suite 600, Reno, NV 89501
500 Fifth Ave, Suite# 938, New York, NY 10110
NV Office: 775.234.5221
www.cronelawgroup.com

June 2, 2022

Red Cat Holdings, Inc.
370 Harbour Drive
Palmas del Mar
Humacao, PR 00791

Re: Red Cat Holdings, Inc. – Offering and sale of Common Stock Pursuant to Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Red Cat Holdings, Inc., a Nevada corporation (the “Company”), in connection with the preparation and filing with the Securities and Exchange Commission of a Registration Statement on Form S-3 (the “Registration Statement”). The Company is filing the Registration Statement in connection with the offering from time to time, pursuant to Rule 415 promulgated under the Securities Act of 1933, as amended, by certain selling stockholders of up to 12,333,033 shares of the Company’s common stock, par value \$0.001 per share (the “Shares”). The offering of the Shares will be as set forth in the prospectus contained in the Registration Statement, as amended, and as supplemented from time to time.

In rendering these opinions, we have examined the Company’s Articles of Incorporation and Bylaws, both as amended and currently in effect, the Registration Statement, and the exhibits thereto, and such other records, instruments and documents as we have deemed advisable in order to render these opinions. In such examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photo static copies and the authenticity of the originals of such latter documents. In providing these opinions, we have further relied as to certain matters on information obtained from officers of the Company.

As a result of and subject to the foregoing, we are of the opinion that the Shares are validly issued, fully paid and non-assessable shares of common stock in the Company.

The foregoing opinions are qualified to the extent that the enforceability of any applicable agreement, document, or instrument discussed herein may be limited by or subject to bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors’ rights generally, and general equitable or public policy principles.

We have relied as to certain matters on information obtained from officers of the Company, and other sources believed by us to be responsible.

Our opinion letter is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the Shares, or the agreements and instruments addressed herein, or in the Registration Statement. This opinion is based upon currently existing statutes, regulations, rules and judicial decisions, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to this firm under the caption “Legal Matters” in the Prospectus which is a part of the Registration Statement.

Sincerely,

The Crone Law Group P.C.



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation in this Registration Statement on Form S-3-A1 of our report dated August 12, 2021, relating to the financial statements of Red Cat Holdings, Inc. as of April 30, 2021 and 2020 and to all references to our firm included in this Registration Statement.

B F Boyer CPA PC

Certified Public Accountants
Lakewood, CO
June 2, 2022