

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: ParcelPal Technology Inc. (the "Issuer").

Trading Symbol: PKG

Number of Outstanding Listed Securities: 89,766,576

Date: May 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

As part of the Issuer's diversification and growth plan, three members of the Issuer's board of directors have stepped down. Kelly Abbott, who was the former President and CEO, has stepped down as a board member as the transition has been completed.

Peter Hinam, who was originally appointed as Chief Strategy Officer and a director, has stepped down from both roles. Lastly, Ian Tostenson has stepped down as a director. These changes to our board of directors come as the Issuer continues to undertake the next phase in its operational diversification and growth. The Board wishes to thank both Mr.

Hinam and Mr. Tostenson for their many contributions to the Issuer, and wishes them well for the future.

The Issuer agreed to settle debt in the sum of \$27,000 by the issuance of 270,000 common shares at a price of \$0.10, effective May 29, 2020.

The Issuer postponed filing its interim financial statements and Management's Discussion & Analysis for the three months ended March 31, 2020 (the "*Q1 Quarterly Documents*") due to logistics and delays caused by the COVID-19 pandemic.

The Issuer is relying on exemptive relief recently granted by Canadian securities regulatory authorities that allows it to delay the filing of its Q1 Quarterly Documents required by National Instrument 51-102 by June 1, 2020. In response to the COVID-19 pandemic, securities regulatory authorities in Canada have granted a blanket exemption allowing issuers an additional 45 days to complete their regulatory filings.

The Issuer estimates that its Q1 Quarterly Documents will be available for filing at its earliest opportunity, which is expected to occur on or before July 15, 2020. Until such time as the Q1 Quarterly Documents are filed, the Issuer's management and other insiders are subject to a trading blackout that reflects the principles contained in section 9 of National Policy 11-207 - Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

2. Provide a general overview and discussion of the activities of management.

The Issuer is a technology-driven logistics company that connects consumers to the goods they love. Customers can shop at partner businesses and through the Issuer's technology can receive their purchased goods within an hour or the same day. The Issuer offers on-demand delivery of merchandise from leading retailers, restaurants, medical marijuana dispensaries and liquor stores in Vancouver, Calgary, Saskatoon and soon in major cities Canada-wide.

Management continues executing its strategic plan, attracting potential partnerships and looking at further city expansions. Management has been reinvesting into its technology platform and has begun to scale its services across Canada and now into the United States.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer continues its operations in Saskatoon, Calgary and British Columbia and expanded its footprint with Amazon covering more areas and delivering more packages across the Lower Mainland and British Columbia. The Issuer has added a contactless delivery program, as an option to better allow handling of all items that mitigates any potential exposure to COVID-19 for all parties involved with the transactions.

The Issuer has entered into a delivery and fulfilment agreement for pharmaceuticals and COVID-19 supplies including test kits in British Columbia, Alberta and Ontario with potential access to over 40 pharmacies nationwide. Customers will have access to on-demand and same day delivery for all of their pharmaceutical needs through this strategic

partnership. The integration process has begun and will begin testing in Q2 in Vancouver. The initiative will launch in BC then Alberta and Ontario shortly thereafter.

The program will work within all provinces, allowing patients to upload a photo of their paper prescription, pay their co-pay, have a video visit with a pharmacist, and schedule delivery to any location of their choosing. If people prefer not to use technology, they also have the option to do the entire process over the phone. On the physician's end, they have access to an analytics platform where they can track prescription status, insurance approvals and delivery confirmation.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers.

The Issuer has increased operations for COVID-19. The Issuer has had a significant uptick in total deliveries as a result of an increased number of vendors that are being serviced as well as an increase in the Issuer's active user base. In addition, the Issuer has opened higher radiuses of delivery for clients and vendors.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

The Issuer continued marketing initiatives designed to develop and enhance the ParcelPal brand in Vancouver, Calgary, Saskatoon and soon in major cities Canada-wide.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

The Issuer agreed to settle debt in the sum of \$27,000 by the issuance of 270,000 common shares at a price of \$0.10, effective May 29, 2020.

On May 6, 2020, the Issuer granted stock options (the “Options”) to certain consultants, directors and employees for the purchase of up to 2,875,000 Shares pursuant to the Issuer’s Stock Option Plan. The Options are exercisable for a period of five years at an exercise price of \$0.09 per Share and vest immediately.

On April 14, 2020, the Issuer announced that it had completed a non-brokered private placement pursuant to which it issued an unsecured convertible note with a face value of up to US\$367,500 to an arm's length investor.

On May 8, 2020, pursuant to the previously announced non-brokered private placement, the Issuer closed Additional Tranche Consideration of US\$100,000 as requested by the Issuer, and advanced by the Noteholder in the amount as the parties mutually agreed, plus the prorated 5% OID to the Issuer on such amount, including the issuance of an additional 300,000 investment incentive shares.

The terms of the Note include the following:

- **the sum of US\$250,000 (the “Initial Consideration”) was advanced to the Issuer on closing, and \$12,500 (the “Initial Original Issue Discount”) was retained by the Noteholder through an original issue discount (the “OID”) for expenses related to the Offering, and the issuance of 300,000 common shares as investment incentive shares;**
- **Additional Tranche Consideration, up to US\$100,000 upon request by the Issuer, shall be advanced by the Noteholder in such amounts and at such date as the parties**

mutually agree, plus the prorated 5% OID to the Issuer on such amounts, and up to an additional 300,000 investment incentive shares assuming the maximum investment of not less than US\$100,000 to the Issuer;

- the Note bears interest at a one-time guaranteed rate of 10% on the principal sum of each funded tranche, and has a Maturity Date of seven and one half months from the effective date of each tranche funding (the “Maturity Date”);
- the principal amount of the Notes shall be convertible into common shares of the Issuer prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.06 per Share (“Fixed Conversion Price”);
- the net estimated proceeds from this financing, including any additional tranche consideration, after deducting any fees, expenses and issue discounts payable by the Issuer, are intended to be used for certain scaling operations of the Issuer, on improvement and development of its technology and software, to elevate the Issuer’s platform, and for general corporate and working capital purposes;
- The Principal Sum due to Noteholder is prorated based on the Consideration actually paid by Noteholder, plus the 5% OID, such that the Issuer is only required to repay the amount funded and the Issuer is not required to repay any unfunded portion of the Note. The Issuer may prepay any outstanding portion of the Note in cash prior to the Maturity Date;
- The Issuer granted a right of first refusal to the Noteholder during the term of the Note to invest, at similar or better terms to the Issuer, in an amount equal to or greater than any future capital or equity or debt financing by the Issuer. During the term of the Note, if the Issuer issues a convertible debt security with more favorable terms to such other holder than contained in this Note, and if such terms were not similarly provided to the Noteholder, then at the Noteholder's option the revised terms shall apply to the terms of the Note; and
- If the Note is not repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding Principal Amount under the Note into common shares at the Variable Conversion Price equal to the lower of: (a) US\$0.06 per share or (b) 65% of the lowest volume weighted average price of the Issuer’s common shares during the ten consecutive trading days prior to the date on which Noteholder elects to convert all or part of the Note; provided, however, that any such discount to the Fixed Conversion Price is subject to compliance with applicable Canadian securities laws and the policies and rules of the Canadian Securities Exchange or such other stock exchange on which the securities of the Issuer are principally traded.

The Note and any Shares issued upon conversion of the Note are subject to a statutory hold period expiring on the date that is four months and one day after the closing of the Offering.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

Kelly Abbott and Ian Tostenson resigned as directors and Peter Hinam resigned as Chief Strategy Officer and a director.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Issuer operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Issuer's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Issuer's operations. As a result, there exists material uncertainty that casts significant doubt about the Issuer's ability to continue as a going concern.

The ongoing COVID-19 pandemic has resulted in a greater number of people staying at home in isolation, resulting in an increase in demand for same day and on-demand delivery services.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 3, 2020.

Rich Wheeless

Name of Director or Senior Officer

"Rich Wheeless"

Signature

CEO

Official Capacity

Issuer Details <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> YY/MM/DD
ParcelPal Technology Inc.	May 2020	20/06/03

<i>Issuer Address</i>		
305-190 Alexander Street, Vancouver, BC, V6A 2S5		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
Vancouver, BC, V6B 2S5	N/A	N/A
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
Rich Wheelless	CEO	614-395-7778
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