

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: PKG

Number of Outstanding Listed Securities: 102,953,973

Date: December 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.

On December 8, 2020, the Issuer reported that for the month of November 2020, it had achieved its second consecutive profitable month, and also increased its profit over October 2020. It is the first time the Issuer has ever had back to back months of profitability, with October 2020 being the first month of profitability in the history of the Issuer.

On December 17, 2020, the Issuer announced it has entered into a US\$5,000,000 financing agreement with Tangiers Global, LLC ("Tangiers") ("Equity Line" or "Facility") pursuant to the terms of an Investment Agreement (the "Investment Agreement"), as well as a registration right agreement related thereto ("Registration Rights Agreement"). The

US\$5,000,000 financing is in the form of an Equity Line of Credit over a maximum duration of 36 months (the “Term”). Pursuant to the terms of the Registration Rights Agreement, a Form F-1 Registration Statement will be filed with the Securities & Exchange Commission (“SEC”) to register the common shares that may be issued to Tangiers in connection with this Facility.

Subject to the terms and conditions of the Investment Agreement, from time to time, the Issuer may, in its sole discretion, deliver a Put Notice to Tangiers which states the number of shares that the Issuer intends to sell to Tangiers on a closing date. The maximum number of Common Shares that the Issuer shall be entitled to put to Tangiers per any applicable Put Notice shall be an amount of shares up to or equal to two hundred percent (200%) of the average of the daily trading volume of the Common Stock for the ten (10) consecutive Trading Days immediately prior to the applicable Put Notice Date (the “Put Amount”) so long as such amount is at least US\$5,000 and does not exceed US\$250,000. The purchase price of the common shares that the Issuer may sell to Tangiers will be 85% of the lowest VWAP of the Common Share during the five (5) consecutive Trading Days including and immediately following such Put Notice. The closing and funding of a put shall occur between five and seven days following such put notice.

The Issuer agreed to issue 2,100,000 common shares to a third-party firm in settlement of amounts due for legal services as more particularly described in Item 14 herein.

On December 23, 2020, pursuant to an unsecured convertible note issued on September 30, 2020, the Issuer closed Additional Tranche Consideration of US\$100,000 and issued an additional 100,000 investment incentive shares as more particularly described in Item 14 herein.

The Issuer issued 4,346,564 shares pursuant to the conversion of US\$260,793 of principal and interest of an unsecured convertible note issued April 14, 2020 as more particularly described in Item 14 herein.

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, pharmacies and liquor stores in Vancouver, Calgary, Saskatoon, Toronto 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 now expanded to Ontario, with Toronto being the first city, starting with its courier services, with its on demand marketplace to follow.

The Issuer provides same day and next day delivery services for Body Energy's vitamin and nutritional supplements to customers in Vancouver, British Columbia and surrounding areas to start, with other cities to follow.

The Issuer has 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 their pharmaceutical needs through this strategic partnership. The integration process is being tested 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 trade-marks.

The Issuer continued marketing initiatives designed to develop and enhance the ParcelPal brand in Vancouver, Calgary, Saskatoon, Toronto 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.

Reference Item 14 below.

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

On December 16, 2020, the Issuer issued 200,000 shares pursuant to the exercise of warrants at a price of \$0.15 per share.

On December 18, 2020, the Issuer agreed to settle debt to a third-party firm for amounts due for legal services in the sum of \$252,000 by the issuance of 2,100,000 common shares at a price of \$0.12 per share.

On September 30, 2020, the Issuer announced that it had completed a non-brokered private placement (the "Offering") pursuant to which it issued an unsecured convertible note with a face value of US\$525,000 to an arm's length investor (the "Note").

On December 23, 2020, pursuant to the previously announced Offering, 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 (“*Original Issue Discount*”) to the Issuer on such amount, including the issuance of an additional 100,000 investment incentive shares at a price of \$0.17 per share.

The Issuer issued 4,346,564 shares pursuant to the conversion of US\$260,793 of principal and interest of an unsecured convertible note issued April 14, 2020 at a conversion price of US \$0.06 per share.

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

None

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

None

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 working and/or staying at home, 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 January 4, 2021.

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.	December 2020	21/01/04
<i>Issuer Address</i>		
704 – 595 Howe Street, Vancouver, BC, V6C 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 Wheeless	CEO	614-395-7778
<i>Contact Email Address</i>	<i>Web Site Address</i>	
rich@parcelpal.com	http://www.parcelpal.com	