

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: PKG

Number of Outstanding Listed Securities: 110,617,295

Date: January 2021

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 January 7, 2021, the Issuer issued 1,975,822 shares pursuant to the conversion of USD \$118,549.32 of principal and interest of an unsecured convertible note issued April 14, 2020 as more particularly described in Item 14 herein.**

**On January 11, 2021, the Issuer reported that for the month of December 2020, it had achieved its third consecutive profitable month, and had increased its profit over November 2020. It is the first time the Issuer has had three consecutive months of profitability, with October and November 2020 being the first two months of profitability in the Issuer's history which demonstrates the operational improvement of the Issuer.**

**On January 13, 2021, the Issuer issued 2,756,250 shares pursuant to the conversion of USD \$220,500 of principal and interest of an unsecured convertible note issued June 29, 2020 as more particularly described in Item 14 herein.**

**On January 14, 2021, the Issuer announced it has signed multiple new customer agreements over the past month. Among the new customers is a food company in the gluten free, paleo & vegan food industry, as well as a weekly meal delivery kit company. These new customer agreements do not involve national or large regional chain type customers; however, they do provide for higher margins, which will continue to help the Issuer drive not only its revenue, but also its improvement in operating performance. The Issuer will be providing same day and next day delivery services for these companies to customers in multiple cities in which it operates.**

**On January 15, 2021, pursuant to an unsecured convertible note issued on September 30, 2020, the Issuer closed Additional Tranche Consideration of US\$175,000 and issued an additional 175,000 investment incentive shares as more particularly described in Item 14 herein.**

**On January 22, 2021, the Issuer granted stock options (the “Options”) to directors for the purchase of up to 2,000,000 Shares pursuant to the Issuer’s Stock Option Plan 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.

None

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

**On January 7, 2021, The Issuer issued 1,975,822 shares pursuant to the conversion of USD \$118,549.32 of principal and interest of an unsecured convertible note issued April 14, 2020 at a conversion price of USD \$0.06 per share.**

**On January 13, 2021, The Issuer issued 2,756,250 shares pursuant to the conversion of USD \$220,500 of principal and interest of an unsecured convertible note issued June 29, 2020 at a conversion price of USD \$0.08 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 January 15, 2021, pursuant to the previously announced Offering, the Issuer closed Additional Tranche Consideration of US\$175,000 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 175,000 investment incentive shares at a price of USD \$0.126 per share.**

**The terms of the Note include the following:**

- **the sum of US\$150,000 (the "Initial Consideration") was advanced to the Issuer on closing, and \$7,500 (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 150,000 common shares as investment incentive shares;

- Two Additional Tranche Considerations of US\$175,000 each, plus the prorated 5% OID to the Issuer on such amounts, payable within thirty and sixty days, respectively, following payment of the Initial Consideration, and the issuance of 175,000 common shares as investment incentive shares for each Additional Tranche Consideration;
- the Note bears interest at a one-time guaranteed rate of 5% on the principal sum of each funded tranche, and has a maturity date of six months from the effective date of the 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/ C\$0.08 per share (“Fixed Conversion Price”);
- the estimated net proceeds from this financing, after deducting any fees, expenses and issue discounts payable by the Issuer, are intended to be used for used for certain scaling operations of the Company, for expenses and fees related to the costs of becoming a U.S. Reporting company, and the listing of the Issuer’s securities on the Over-the-Counter market as a primary trading platform, as well as the costs associated with the Issuer’s business expansion plans, including the acquisition of additional fleet vehicles, and the entrance into a real property lease agreement for a storage and fulfilment warehouse, and for such other general corporate purposes;
- the principal sum due to noteholder is prorated based on the Initial Consideration and Two Additional Tranche Considerations, plus the 5% OID. 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 the 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) 75% of the two lowest volume weighted average prices of the Issuer’s common shares during the 15 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.

**On January 22, 2021, the Issuer granted stock options (the “Options”) to directors for the purchase of up to 2,000,000 Shares pursuant to the Issuer’s Stock Option Plan. The Options are exercisable for a period of five years at an exercise price of \$0.145 per Share and vest immediately.**

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 February 4, 2021.

**Rich Wheeless**  
*Name of Director or Senior Officer*

**“Rich Wheeless”**  
*Signature*

**CEO**  
*Official Capacity*

<b>Issuer Details</b> <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> YY/MM/DD
<b>ParcelPal Technology Inc.</b>	<b>January 2021</b>	<b>21/02/04</b>
<i>Issuer Address</i>		
<b>190 Alexander St., Suite 305</b>		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
<b>Vancouver, BC V6A 2S5</b>	<b>N/A</b>	<b>N/A</b>
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
<b>Rich Wheeless</b>	<b>CEO</b>	<b>614-395-7778</b>
<i>Contact Email Address</i>	<i>Web Site Address</i>	
<a href="mailto:rich@parcelpal.com">rich@parcelpal.com</a>	<a href="http://www.parcelpal.com">http://www.parcelpal.com</a>	