

PARCELPAL TECHNOLOGY INC.

Management Discussion and Analysis (“MD&A”)

For the six months ended June 30, 2016

As at August 22, 2016

BACKGROUND AND GOING CONCERN

For the period ended June 30, 2016, ParcelPal Technology Inc. (“the Company”) has prepared this management discussion following the requirements of National Instrument 51-102 (“NI-51-102”) and should be read in conjunction with the unaudited condensed consolidated interim financial statements and accompanying notes for the period ended June 30, 2016 prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

The reader should also refer to the audited consolidated financial statements for the year ended December 31, 2015.

The incorporation jurisdiction of ParcelPal Technology Inc. is British Columbia.

During the year ended December 31, 2015, the Company purchased all of the assets related to a parcel delivery mobile app technology platform known as “ParcelPal” from a Vancouver based software developer. In accordance with the terms of the purchase, the Company acquired all of the assets related to ParcelPal in exchange for 2,000,000 common shares of the Company.

The focus of the Company is to leverage technology to provide innovative services and products. The Company is currently focusing its efforts on acquiring technologies, including the recent acquisition of the ParcelPal app. The Company also has certain rights to the TraderOS Platform.

The TraderOS Platform is a social collaborative charting, news and communication platform. The platform’s online environment for traders and investors consolidates their information needs into a single location. Traders can communicate with peers in real-time through chat and instant messaging. Aggregated content from blogs, other social platforms (i.e. Twitter™), and articles and multimedia across the web can be accessed seamlessly within the platform environment. Users can monitor other traders on their premium content feed, view charts and articles posted by others, stream real-time financial news, and monitor stock quotes. The platform will allow traders to collaborate and share trading ideas and information with the entire user base or selected groups giving them access to a “virtual trading floor”.

GOING CONCERN

The Company had loss of \$398,125 during the period ended June 30, 2016 (2015 – \$40,354) and has a deficit of \$1,792,945 as at June 30, 2016 (December 31, 2015 - \$1,394,820). These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company has material financial uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

FORWARD LOOKING STATEMENTS

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the nascent branding, social media technology, which is affected by numerous factors beyond the Company’s control; the Company’s ability to succeed in the North American market; and access to debt and equity; and the early stage of the Company’s business. The Company is subject to the risks associated with early stage companies, including

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uncertainty of revenues, markets and profitability and the ability to access debt or equity financing, as necessary. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current sales trends, general economic conditions affecting the Company and the Canadian and US economies. Although the Company believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material factors or assumptions are applied by the Company in making forward-looking statements, including without limitation, factors and assumptions regarding the Company's continued ability to fund its business, rates of customer defaults, relationship with, and payments to its line of credit provider and debenture holders, acceptance of its products in the marketplace, as well as its operating cost structure and current and future trends in social media advertising and traditional print media. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

SUMMARY OF QUATERLY RESULTS

Following is a table of the income, total assets, operating loss for the past eight quarters.

For the three months ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Gross profit	\$ 2,280	\$ Nil	\$ Nil	\$ Nil
Total assets	216,994	362,353	320,761	32,942
Operating loss	(227,409)	(170,716)	(125,281)	(15,911)
Net loss	(227,409)	(170,716)	(125,291)	(15,911)
Loss per share	(0.01)	(0.01)	(0.01)	(0.00)
Dividends	-	-	-	-
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Gross profit	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Total assets	37,990	8,124	7,679	6,495
Operating loss	(31,411)	(8,943)	(46,098)	(25,306)
Net loss	(31,411)	(8,943)	(46,098)	(25,306)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Dividends	-	-	-	-

During the year ended December 31, 2014, the Company sold a subsidiary resulting in a gain on the sale of subsidiary of \$357,284, which was recorded to deficit.

The Company had no revenues during the past seven quarters and incurred a gross profit of \$2,280 during the three month period ended June 30, 2016. Expenses in June 30, 2016 primarily consisted of professional fees, consulting fees, and share-based compensation. Costs increased mainly as a result of consulting fees paid to developers and share-based compensation paid to key management personnel and consultants.

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SELECTED QUARTERLY RESULTS

In the six months ended June 30, 2016, compared to the six months ended June 30, 2015, the Company’s operating expenses increased to \$400,405 from \$40,354, mainly as a result of expenses relating to the newly acquired ParcelPal technology:

- i) \$240,923 of consulting fees (2015 - \$Nil).
- ii) \$48,694 of office and miscellaneous expenses (2015 - \$604).
- iii) \$37,291 of professional fees (2015 - \$33,804).
- iv) \$18,054 of regulatory and filing fees (2015 - \$5,946).
- v) \$35,717 of share-based compensation (2015 - \$Nil).
- vi) \$14,127 of travel expenses (2015 - \$Nil).

In the three months ended June 30, 2016, compared to the three months ended June 30, 2015, the Company’s operating expenses increased to \$229,689 from \$31,411, mainly as a result of expenses relating to the newly acquired ParcelPal technology:

- i) \$133,185 of consulting fees (2015 - \$Nil).
- ii) \$29,739 of office and miscellaneous expenses (2015 - \$546).
- iii) \$12,591 of regulatory and filing fees (2015 - \$3,441).
- iv) \$24,229 of share-based compensation (2015 - \$Nil).
- v) \$4,349 of travel expenses (2015 - \$Nil).

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2016 the Company had net working capital of \$33,282 compared to a net working capital deficiency of \$153,375 as at December 31, 2015.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company has material financial uncertainties that cast significant doubt upon the Company’s ability to continue as a going concern.

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RELATED PARTY TRANSACTIONS

During the period ended June 30, 2016, in connection with the February 29, 2016 private placement an officer and director of the Company purchased 90,000 shares for proceeds of \$10,125.

During the year ended December 31, 2015:

- i) In connection with the April 2, 2015 private placement, an officer, a director, and family members of directors purchased 2,880,000 shares for proceeds of \$72,000.
- ii) In connection with the November 26, 2015 private placement, an officer, a director, and family members of directors purchased 1,440,000 units for proceeds of \$72,000.
- iii) In connection with the December 18, 2015 private placement, officers and a director purchased 1,080,000 units for proceeds of \$54,000.

Key management personnel

During the period ended June 30, 2016, the Company:

- i) granted Nil stock options (December 31, 2015 – 550,000) to officers and directors of the Company with a fair value of \$Nil (December 31, 2015 – \$20,415) and was included in share-based compensation expense.
- ii) paid \$30,000 (Year ended December 31, 2015 - \$Nil) in management fees to the Chief Executive Officer, who is also a Director of the Company.

CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders’ equity. When managing capital, the Company’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of a social collaborative charting, news and communication platform for traders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company’s approach to capital management during the period ended June 30, 2016.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company’s financial instruments consist of cash, accounts payable and accrued liabilities and loan payable. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company’s cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

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b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk (Note 5).

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) Foreign currency risk

The Company’s functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars and US Dollars. The Company maintains a US Dollar bank account in Canada to support the cash needs of its operations. Management believes that the foreign exchange risk related to currency conversion is minimal and therefore does not hedge its foreign exchange risk.

e) Capital management

The Company defines capital that it manages as its shareholders’ equity. When managing capital, the Company’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of a social collaborative charting, news and communication platform for traders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company’s approach to capital management during the period ended June 30, 2016.

CRITICAL ACCOUNTING ESTIMATES, ADOPTION OF ACCOUNTING POLICIES AND ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

Please refer to the June 30, 2016 condensed consolidated interim financial statements on www.sedar.com for details.

COMMON SHARES

Common Shares

At August 22, 2016, the Company had 26,520,558 common shares outstanding.

Stock Options

As at August 22, 2016, the following options were outstanding and exercisable:

Expiry Date	Number Outstanding	Exercise Price
November 6, 2018	950,000	\$ 0.05
December 18, 2018	255,000	\$ 0.10
February 5, 2019	125,000	\$ 0.15
March 4, 2019	200,000	\$ 0.15
April 21, 2019	25,000	\$ 0.26
	1,555,000	

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Common Share Warrants

As at August 22, 2016, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number Outstanding		Exercise Price
November, 26, 2016	1,000,000	\$	0.10
December 18, 2016	1,500,000	\$	0.10
December 18, 2016	98,000	\$	0.10
August 29, 2017	1,815,661	\$	0.20
January 18, 2018	634,523	\$	0.30
	5,048,184		

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

CHANGE IN MANAGEMENT

On July 5, 2016, the Company announced appointment of Ian Tostenson as a new director.