PARCELPAL TECHNOLOGY INC.
Management Discussion and Analysis ("MD&A")
For the year ended December 31, 2017

As at April 30, 2018

GENERAL

For the year ended December 31, 2017, 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 December 31, 2017 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, 2017.

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

This MD&A is the responsibility of management. Prior to its release, the Company's Board of Directors (the "Board") has approved this MD&A on the Audit Committee's recommendation. The Company presents its consolidated financial statements in Canadian dollars. Amounts in this MD&A are stated in Canadian Dollars unless otherwise indicated. Unless otherwise noted or the context indicates otherwise, "we", "us", "our", the "Company" or "ParcelPal" refer to ParcelPal Technology Inc. and its direct and indirect subsidiaries.

FORWARD LOOKING STATEMENTS

This MD&A includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future business operations of the Company, are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "plans", "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this MD&A relate to, among other things, the Company expanding into additional markets, management's expectations regarding the liquidity of the Company, the Company's fee structure, and the Company's plans with respect to managing liquidity risk. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

There can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such 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 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.

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. 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, acceptance of its products in the current marketplace and acceptance of its products in other marketplaces, as well as its operating cost structure and current and future trends in social media advertising and traditional print media. Although the Company believes the assumptions used to make such statements are reasonable at this time, there may be other factors that cause results not to be as anticipated, estimated or intended.

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.

Fiscal 2017 Highlights (Compared with 2016)

- $373,677 in revenue for 2017, up from 13,359 in 2016.
- Raised over 2 million in 2017.

COMPANY OVERVIEW AND OUTLOOK

ParcelPal Technology Inc., a Vancouver based on-demand delivery service, owns and operates ParcelPal, a streamlined mobile application that enables consumers to shop at local merchants and have their items delivered in an hour or less. The Company provides online eCommerce integrations (WooCommerce, Magento, Shopify), an iOS application, open web portal for B2B shipments and various API integration capabilities. The technology stack enables business to operate online and provide an end to end solution for last mile logistics. ParcelPal's management have spent considerable amount of time developing and streamlining the ordering and fulfillment processes for their eCommerce channels which enable merchants or local businesses to easily integrate no matter the size. ParcelPal has enabled these businesses to completely bypass point of sale integrations, eliminate expensive implementations and reduce overall overhead that often hold merchants back from offering online ordering and logistics.

To successfully execute an aggressive growth strategy to fulfill the demand of merchants and consumers, ParcelPal is developing a remote launch kit whereby merchants will be able to set up and get started outside the Vancouver area. ParcelPal's marketing team has additionally begun marketing in various cities across Canada to estimate demand and launch in that given city.
The Company will increase monthly recurring revenue by continuously adding new merchants, delivery verticals and drivers to the platform. Monthly fees from merchants is part of ParcelPal's plan for additional revenue streams. In addition to ParcelPal's current services, ParcelPal plans to implement additional services for consideration of growing the merchant's business and retaining existing customers. ParcelPal has been working closely with merchants to determine pricing strategies and service add-ons to further monetize the platform.

Amazon.com Inc.

In October 2017, ParcelPal experienced major growth in the Vancouver market through its relationship with the eCommerce giant Amazon.com Inc. This partnership resulted in a dramatic increase in revenue for Q4 2017, and should bolster further growth opportunities in Canada and abroad, allowing for ParcelPal's footprint into other major Canadian cities in the foreseeable future.

Kelly Abbott, chief executive officer of ParcelPal, commented: "We are extremely excited to be working with such an amazing and innovative organization. Our work order contract with Amazon represents a key milestone in becoming a leader in the logistics space and Uberizing the movement of things. We look forward to further developing our relationship with Amazon and expanding our organization into other territories in the near future and will continue to ramp up operations immediately to meet demand."

ParcelPal Technology Inc. achieved a key milestone by delivering approximately 150,000 parcels in Q4 2017. ParcelPal is now among the top-rated and fastest-growing providers for Amazon in British Columbia, allowing the company to achieve gold status as an Amazon fulfilment provider. The company has met and exceeded expectations by the following key metrics of performance:

- 98.9-per-cent first delivery success rate;
- Less than 1.5-per-cent return on all parcels;
- 1,600 (defects per million opportunities) -- 20 per cent below the baseline standards.

The high quality of service provided to Amazon has allowed ParcelPal to aggressively grow its business and revenues from the company's benchmark Q4 2017 earnings through 2018. The company is now delivering specifically for Amazon in Surrey, South Surrey, Delta, Langley, Vancouver, Burnaby, Coquitlam and New Westminster for Amazon and expects to add additional territories.

Forward Looking Growth Strategies

Canada plans to legalize recreational cannabis before 2019, and the industry continues to steal headlines as this has created great opportunity for both companies and investors alike. In the green rush, the investment community has primarily been focused on the cannabis producers. It has been widely speculated that the market will soon sway to ancillary businesses that support and facilitate both the production and distribution of cannabis. With full legalization pending, and a relatively unsophisticated and progressive business space, the cannabis industry will reward those that can solidify their supply chain and increase their online presence to reach potential and returning customers. ParcelPal plans on capitalizing on the opportunities in the marijuana space in the coming year.

Capital Management

The Company manages its capital structure and makes adjustments based on the funds available to the Company in order to facilitate the liquidity needs of its operations. The Board 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. The Company defines capital to include its working capital position, capital stock and accumulated deficit. 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 in the Company's approach to capital management during the year ended December 31, 2017. The Company is not subject to externally imposed capital requirements

Revenue

The company currently has two revenue streams. One is through the application known as ParcelPal and the other through billable contracts such as Amazon.com Inc and other merchants.

In fiscal 2017, revenue consisted of orders through the ParcelPal application, which constitute a delivery fee and convenience fee. These orders come from either restaurant, B2B or liquor orders. Revenue is recognized upon delivery of the item(s).

ParcelPal also bills Amazon.com Inc. on a weekly basis with terms of net 30 payment schedule.

GOING CONCERN

The Company has financed its operations through equity issuances. The Company had a net loss of $1,440,475 for the period ended December 31, 2017 (2016 – $946.434) and has a deficit of $3,781,729 as at December 31, 2017 (December 31, 2016 – $2,341,254).

The Company has incurred significant operating losses and negative cash flows from operations in recent years, and has a working capital deficiency. As a result of the foregoing, there is significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements were 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. Whether and when the Company can attain profitability and positive cash flows is uncertain. The Company is working to expand its operations and it is expected that the Company's liquidity will fluctuate as a result of any expansion. The fee structure for the services offered by the Company is expected to remain constant for the foreseeable future.

The continuation of the Company as a going concern is dependent upon completing a short-term financing for sufficient working capital to maintain operations, reducing operating expenses, increasing revenues and commencing profitable operations in the future. Risks that may materially affect the Company's future performance include: the possibility of discontinuance of operations of the Company, the risk that the Company is unable to find suitable investors for a financing, the risk that the Company will not be able to expand operations, the risk that the Company will not be successful due to general risks relating to the mobile application industry, the failure of the Company's app to gain market acceptance, potential challenges to the intellectual property utilized in the Company's app, and competition risks. The Company recognizes the threats posed by operating in an uncertain global economic environment. This uncertainty may continue to impact the Company's industry, resulting in a lower demand for some of its services and its partners' products.

The Company is in its growth phase and it is expected that the Company will continue to incur losses until significant revenues are generated as management executes its business plan. The Company began generating revenue in the period ending September 30, 2017; however, as at December 31, 2017, the Company did not achieve a positive cash flow.

The Company manages liquidity risk by maintaining sufficient cash balances and adjusting the operating budget and expenditures to ensure that there is sufficient capital in order to meet short-term and other specific obligations. The Company plans to control spending and prudently allocate financial resources to optimize value. The Company will seek additional financing through equity financings until the Company reaches profitability. In order to increase sales, the Company intends to ensure that the service provided meets the needs of existing and potential customers and is competitively priced. The Company plans to continue to develop, innovate and continuously improve current and new technologies in a timely and cost effective manner. Management believes that the likelihood of completing these plans is high, and anticipates closing a non-brokered private placement in Q1 2018 so that the Company may have sufficient financial resources to meet its planned operations for the foreseeable future.

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.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's audited financial statements for:

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Financial Results	$	$	$
Total Revenue	373,655	13,359	Nil
Loss and comprehensive loss	1,440,475	946,434	181,546
Basic and Diluted Loss per Share	(0.03)	(0.04)	(0.01)
Total Assets	1,096,996	261,710	320,761
Total Long Term Liabilities	338,520	Nil	Nil

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			
	December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Gross profit	$ 72,813	$ 3,693	$ 5,951	$ 4,256
Total assets	1,096,996	88,056	125,153	236,177
Operating loss	(769,324)	(156,597)	(304,627)	(296,639)
Net loss	(696,511)	(152,904)	(298,676)	(292,383)
Loss per share	(0.02)	(0.01)	(0.01)	(0.01)
Dividends	-	-	-	-
	December 31, 2016	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
Gross profit	$ 5,453	$ 4,759	$ 2,280	$ Nil
Total assets	261,710	190,227	216,994	362,353
Operating loss	(360,100)	(198,421)	(229,689)	(170,716)
Net loss	(354,647)	(193,662)	(227,409)	(170,716)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Dividends	-	-	-	-

The Company had revenues of $373,655 during the period and incurred a gross profit of $86,713 during the period ended December 31, 2017. Expenses in fiscal 2017 primarily consisted of consulting fees, share-based compensation and office and miscellaneous. Costs increased mainly as a result of an increase in delivery personnel and support staff.

SELECTED RESULTS

In the year ended December 31, 2017, compared to the year ended December 31, 2016, the Company's operating expenses increased to $1,527,188 from $958,926.

i) Consulting fees increased to $557,029 (2016 - $324,573) due to an increased number of consultants in the current period.

ii) Investor relations increased to $42,028 (2016 - $14,735) due to increased promotional activities during the current period.

iii) Management fees decreased to $27,500 (2016 - $115,000) due to decreased fees to officers in the Company during the current period.

iv) Share-based compensation increased to $472,296 (2016 - $266,001) due to stock options being granted during the current period.

In the three months ended December 31, 2017, compared to the three months ended December 31, 2016, the Company's operating expenses increased to $769,324 from $360,100.

i) Consulting fees increased to $403,878 (2016 - $60,758) due to an increased number of consultants in the current period.

ii) Management fees decreased to $Nil (2016 - $25,000) due to decreased fees to officers in the Company during the current period.

iii) Share-based compensation increased to $234,650 (2016 - $197,025) due to stock options granted during the current period.

EQUIPMENT

During the year ended December 31, 2017, the Company entered into lease agreements to increase the delivery fleet by a total of 15 vehicles to meet the delivery demand for Amazon. Leased vehicles are carried at cost less accumulated amortization.

	Vehicles
Cost	
As at December 31, 2016 and 2015	$ -
Additions	583,881
As at December 31, 2017	$ 583,881
Accumulated amortization	
As at December 31, 2016 and 2015	$ -
Amortization	19,186
As at December 31, 2017	$ 19,186
Net book value	
As at December 31, 2016	$ -
As at December 31, 2017	$ 564,695

INTANGIBLE ASSETS

During the year ended December 31, 2015, the Company acquired $100,000 of application software through an acquisition and paid $10,000 cash. During the year ended December 31, 2016, the Company determined the application software to be in use and began amortizing the intangible asset.

		Application Software
Cost		
As at December 31, 2016	$	110,000
Additions		-
As at December 31, 2017	$	110,000
Accumulated amortization		
As at December 31, 2016	$	18,300
Amortization		36,500
As at December 31, 2017	$	54,800
Net book value		
As at December 31, 2016	$	91,700
As at December 31, 2017	$	55,200

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017 the Company had net working capital of $120,516 compared to a net working capital of $94,188 as at December 31, 2016.

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.

RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel is as follows:

	December 31, 2017	December 31, 2016
Consulting fees	$ 172,987	$ -
Director fees	10,000	
Management fees	17,500	55,000
Share-based compensation	235,055	68,001

As at December 31, 2017, $17,749 (December 31, 2016 - $1,250) owing to related parties, comprised of $135 (December 31, 2016 - $1,250) to the former CEO of the Company and $17,614 (December 31, 2016 - $Nil) to the current CEO of the Company is included in accounts payable in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand.

Equity:

Period ended December 31, 2017:

On March 31, 2017, the Company has issued 97,222 units pursuant to debt settlement agreement entered into with their former CEO on March 30, 2017. Each unit consists of one common share and one-half of one share purchase warrant, which entitles the holder to purchase one additional common share of the Company at price of $0.30 per share for a period of 18 months from the date of issuance.

On March 31, 2017, the Company closed a non-brokered private placement financing consisting of 840,500 units at a price of $0.18 per unit for gross proceeds of $151,290 of which 45,000 units with a fair value of $8,100 was for settlement of various debt. Each unit consists of one common share and one share purchase warrant, which entitles the holder to purchase one additional common share of the Company at a price of $0.30 per share for a period of 18 months. In connection with the private placement, the Company paid a finders' fees of $8,640 and issued 60,000 finder's share purchase warrants (valued at $4,190) exercisable at a price of $0.30 per share for a period of 18 months.

On October 11, 2017, the Company has issued 4,100,000 shares valued at $266,500 to its officer, directors and its consultants to settle corporate indebtedness of $205,000 resulting in a loss of $61,500.

On October 26, 2017, the Company closed a non-brokered private placement financing consisting of 13,528,500 units at a price of $0.05 per unit for gross proceeds of $676,425. 2,000,000 of the shares with a fair value of $100,000 were issued as payment for prepaid consulting fees. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company exercisable at a price of $0.075 per share for a period of 24 months from the date of issuance. The Company paid finders' fees of $35,709 cash and issued 820,480 finder's share purchase warrants valued at $40,212 exercisable at a price of $0.075 per share for a period of 24 months from the date of grant.

CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Compay'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 year ended December 31, 2017.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	December 31, 2017	December 31, 2016
Loans and receivables:		
Cash	$ 54,887	$ 149,816
Deposits	-	1,406
	$ 54,887	$ 151,222

Financial liabilities included in the statement of financial position are as follows:

	December 31, 2017	December 31, 2016
Non-derivative financial liabilities:		
Accounts payable	$ 145,443	$ 59,420
	$ 145,443	$ 59,420

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the 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 the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The carrying value of Company's financial assets and liabilities as at December 31, 2017 and December 31, 2016 approximate their fair value due to their short terms to maturity.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

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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. Trade payables are generally insignificant.

Interest 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.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall 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.

Foreign exchange 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.

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 September 30, 2017.

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

Please refer to the September 30, 2017 condensed consolidated interim financial statements on www.sedar.com for details.

OUTSTANDING SECURITIES

Common Shares

At April 27, 2018, the Company had 63,659,927 common shares outstanding.

Stock Options

As at December 31, 2017, the following options were outstanding and exercisable:

Expiry Date	Number Outstanding	Exercise Price	
November 6, 2018	200,000	$	0.05
December 18, 2018	5,000	$	0.10
February 5, 2019	125,000	$	0.15
April 21, 2019	25,000	$	0.26
May 10, 2019	150,000	$	0.10
July 5, 2019	200,000	$	0.23
November 18, 2019	500,000	$	0.12
December 8, 2019	400,000	$	0.19
December 12, 2019	30,000	$	0.20
January 5, 2020	100,000	$	0.20
May 5, 2020	100,000	$	0.14
June 1, 2020	800,000	$	0.16
June 20, 2020	200,000	$	0.11
October 11, 2022	300,000	$	0.08
November 14, 2022	100,000	$	0.10
December 6, 2022	1,300,000	$	0.17
	4,535,000		

Common Share Warrants

As at December 31, 2017, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number Outstanding	Exercise Price	
January 15, 2018	634,523	$	0.30
September 30, 2018	528,861	$	0.30
October 10, 2019	1,256,480	$	0.075
October 19, 2019	6,328,250	$	0.075
	8,748,114		

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 April 18, 2017, the Company announced the appointment of Kelly Abbott as the Company's Chief Executive Officer. Mr. Abbott replaces Jason Moreau, one of the founders of the Company, who will remain as the chairman and a director of the Company.

On May 9, 2017, the Company announced the appointment of Peter Hinam to its board of directors.