

**PARCELPAL TECHNOLOGY INC.**

**Annual General Meeting  
to be held on August 23, 2018**

**Notice of Annual General Meeting  
and  
Information Circular**

**July 20, 2018**

## PARCELPAL TECHNOLOGY INC.

Suite 305, 190 Alexander Street  
Vancouver, BC V6A 2S5

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of **ParcelPal Technology Inc.** (the “**Company**”) will be held at Suite 704 – 595 Howe Street, Vancouver, BC V6C 2T5 on **Thursday, August 23, 2018** at **11:00 a.m. (Vancouver, British Columbia time)**. At the Meeting, the shareholders will receive the financial statements for the year ended December 31, 2017 together with the auditor’s report thereon, and consider resolutions to:

1. to fix the number of directors at four (4);
2. to elect directors for the ensuing year;
3. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditor;
4. to consider, and, if deemed advisable, approve appropriate, to pass, with or without variation, an ordinary resolution approving certain amendments to the Company’s stock option plan, as previously approved by the Company’s directors, as more particularly described in the accompanying Circular; and
5. to transact such other business as may properly be out before the meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 1:00 p.m. (Pacific Time) on Thursday, August 21, 2018 (or at least 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on July 10, 2018 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

Dated at Vancouver, British Columbia, the 20<sup>th</sup> day of July, 2018

### ON BEHALF OF THE BOARD

(signed) “*Kelly Abbott*”

Kelly Abbott  
Chief Executive Officer

# PARCELPAL TECHNOLOGY INC.

Suite 305, 190 Alexander Street  
Vancouver, BC V6A 2S5

## INFORMATION CIRCULAR

(As at July 20, 2018, except as otherwise indicated)

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of ParcelPal Technology Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general of the shareholders of the Company to be held on Thursday, August 23, 2018 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

### APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 11:00 a.m. (Pacific Time) on, August 21, 2018, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### Provisions Relating to Voting of Proxies

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditor as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the**

**Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who - 3 - do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”), issuers may request and obtain a list of their

NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the securities on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 1:00 p.m. (Pacific time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

## **Financial Statements**

The audited financial statements of the Company for the year ended December 31, 2017, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized share structure consists of an unlimited number of common shares of which 66,345,712 are issued and outstanding. Each common share in the authorized share structure of the Company carries the right to one vote.

Only registered shareholders of record at the close of business on July 10, 2018 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding common shares of the Company.

## ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was set at **six** (6) at the Company's last annual general meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at **four** (4).

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

<i>Name, province or state and country of residence and position, if any, held in the Company</i>	<i>Principal occupation during the past 5 years</i>	<i>Served as Director of the Company since</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i>
<b>Kelly Abbott</b> British Columbia, Canada <i>Chief Executive Officer, and Director</i>	Vice President, Operations of the Company since November 6, 2015, appointed CEO of the Company on April 13, 2016, Consultant, employed by OPTIS Consulting from July 2015 to November 2015, and Co-Owner and Operator of a restaurant called Belles On 32 from January 2009 to January 2014.	May 9, 2014	2,821,555

<p><b>Peter Hinam</b><sup>(2)</sup> British Columbia, Canada <i>Director</i></p>	<p>CEO, President and Director of Turquoise Capital Corp. from November 2012 until April 2017, Cofounder, Director and Vice President Acquisitions of MMJ Bioscience Inc. from January 2013 to January 2015.</p>	<p>May 29, 2017</p>	<p>690,000</p>
<p><b>Devon Brown</b><sup>(2)</sup> British Columbia, Canada <i>Chief Financial Officer and Director</i></p>	<p>Director and CFO of Turquoise Capital Corp. from July 2016 until April 2017, Director and CFO of United Greeneries from April 2014 to April 2016, Senior Business Analyst for British Columbia Lottery Corporation from February 2011 to April 2014.</p>	<p>February 14, 2018</p>	<p>60,000</p>
<p><b>Ian Tostenson</b><sup>(2)</sup> British Columbia, Canada <i>Director</i></p>	<p>President and Chief Executive Officer of the British Columbia Restaurant and Food Services Association.</p>	<p>July 5, 2016</p>	<p>Nil</p>

Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at July 10, 2018, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.
- (2) Members of the Audit Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

### Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days (an “Order”); or
- (b) was subject to an Order that was issued, after the proposed director ceased to be a director or executive officer of the company and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

Other than set out below, no director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

On December 8, 2011, Mr. Hinam filed a consumer proposal under the Bankruptcy and Insolvency Act (Canada). The purpose of the consumer proposal was to restructure certain consumer debt of Mr. Hinam. The proposal was deemed approved in February 2012 and Mr. Hinam was completely discharged in good standing in August 2016.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

During the last financial year ended December 31, 2017, the Company had two Named Executive Officers (“NEOs”) being, Kelly Abbott, Chief Executive Officer (“CEO”), and Devon Brown, the Chief Financial Officer (“CFO”).

“Named Executive Officer” or “NEO” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Discussion and Analysis**

The Board of Directors’ (the “Board”) compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, a NEO’s compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.



The Board has not formally considered the risks associated with the Company's compensation policies and practices. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

### SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

#### Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Kelly Abbott <sup>(1)</sup> <i>CEO</i>	2017	42,987	9,000	61,125	Nil	Nil	Nil	Nil	113,112
	2016	39,889	Nil	Nil	Nil	Nil	Nil	17,614	57,503
Devon Brown <sup>(2)</sup> <i>CFO</i>	2017	Nil	3,000	Nil	Nil	Nil	Nil	Nil	3,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Kelly Abbott was appointed Chief Executive Officer on April 13, 2017.
- (2) Devon Brown was appointed Chief Financial Officer on February 14, 2018.

## Narrative Discussion

The NEO's have not entered into employment agreements with the Company. NEOs are compensated through, consulting fees, stock options and shares. The Company does not have a pension plan or a long term incentive plan.

Mr. Abbott entered into a consulting agreement with the Company on November 11, 2015 pursuant to which he is paid consulting fees in the amount of \$3,333 per month (payable bi-weekly in equal installments). The initial term of the agreement was for 90 days following which it is automatically renewed for successive terms of one month until the termination of the agreement. Either party may terminate the agreement for any breach of the agreement by the other party, if that breach is not remedied within seven days after the non-defaulting party delivers written notice thereof to the defaulting party. In addition, either party may terminate the Agreement at any time by giving the other party at least seven days' written notice prior to the effective date of the termination.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

#### Outstanding Option-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value <sup>1</sup> of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Kelly Abbott <sup>2</sup> <i>CEO</i>	200,000	\$0.17	December 6, 2022	5,000	N/A	N/A
Devon Brown <i>CFO</i>	200,000	\$0.17	December 6, 2022	5,000	N/A	N/A

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2017 over the exercise price of the options. The market price for the Company's common shares on December 29, 2017 was \$0.195.
- (2) Kelly Abbott was granted 800,000 options on January 23, 2018 at an exercise price of \$0.315.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

**Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)</b>	<b>Share based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
<b>Kelly Abbott</b> <i>CEO</i>	Nil	N/A	Nil
<b>Devon Brown</b> <i>CFO</i>	Nil	N/A	Nil

**PENSION BENEFITS**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

**DIRECTOR COMPENSATION**

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company’s most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company’s most recently completed financial year to the Company’s directors, other than the NEOs previously disclosed:

**Director Compensation Table**

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity inventive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Peter Hinam <sup>(1)</sup>	39,000	Nil	103,684 <sup>(3)</sup>	Nil	N/A	Nil	142,684
Ian Tostenson <sup>(2)</sup>	Nil	Nil	6,521	Nil	N/A	Nil	6,521

Notes:

- (1) Peter Hinam was appointed a director of the Company on May 29, 2017.
- (2) Ian Tostenson was appointed a director of the Company on July 6, 2016.
- (3) Peter Hinam was granted 800,000 options on January 23, 2018 at an exercise price of \$0.315.

## Narrative Discussion

Directors are compensated through the grant of stock options and shares. No directors' fees are paid.

### PLAN AWARDS

#### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

#### Outstanding Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration date	Value <sup>(1)</sup> of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Hinam <sup>(2)</sup>	100,000	\$0.20	January 5, 2020	-	N/A	N/A
	100,000	\$0.14	May 5, 2020	5,500		
	100,000	\$0.16	June 1, 2020	3,500		
	400,000	\$0.17	December 6, 2022	10,000		
Ian Tostenson	200,000	\$0.23	July 5, 2019	-	N/A	N/A
	50,000	\$0.16	June 1, 2020	1,750		

(1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2017 over the exercise price of the options. The market price for the Company's common shares on December 30, 2017 was \$0.195.

(2) Peter Hinam was granted 800,000 options on January 23, 2018 at an exercise price of \$0.315.

#### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

#### Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards - Value vested during the year (\$)	Share based awards – Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Peter Hinam	Nil	N/A	Nil
Ian Tostenson	Nil	N/A	Nil

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the securityholders	Nil	Nil	Nil
Equity compensation plans not approved by the securityholders	4,535,000	\$0.15	1,555,356
<b>Total</b>	4,535,000	\$0.15	1,555,356

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than fixing the number of directors, the election of directors and the appointment of auditors.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

### **APPOINTMENT OF AUDITOR**

#### **Auditor**

Management intends to nominate Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, for re-appointment as auditor of the Company to hold office until the next annual meeting of shareholders and to authorize the Board to fix the remuneration to be paid thereto. Dale Matheson Carr-Hilton Labonte LLP was first appointed as the Company's auditor effective March 12, 2015.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Approval of Amended Stock Option Plan to 20% Fixed Plan**

At the Meeting, Shareholders will be asked to consider a resolution to approve amendments to the Stock Option Plan (i) to change the existing Stock Option Plan from a “rolling” plan to a “fixed” plan, (ii) to approve an aggregate fixed number of Common Shares that may be issued upon the exercise of all options granted under the plan at 13,269,142 Common Shares reserved for outstanding options under the Stock Option Plan as at the Record Date, and (iii) to authorize the Company to grant such number of options under the Stock Option Plan that could result in a number of Common Shares issuable pursuant to options granted to (a) insiders exceeding 10% of the Company’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted, or (b) any one eligible person (and companies wholly owned by that person) in a twelve month period exceeding 5% of the Company’s issued and outstanding Common Shares (on a non-diluted basis) on the date an option is granted change certain limits to the number of Common Shares that can be reserved for issuance for specific grants (the “Amended Stock Option Plan”).

The Stock Option Plan is currently a “rolling” plan, under which the maximum number of Common Shares reserved for issuance is a percentage of the issued and outstanding Common Shares from time to time.

The Company, on the recommendation and approval of the Board, is proposing to amend the Stock Option Plan to change the Stock Option Plan from a “rolling” plan to a “fixed” plan, under which the number of Common Shares available for issuance is fixed and there is no replenishment of the number of Common Shares that may be issued upon the exercise of options granted thereunder.

Under the current terms of the Stock Option Plan and before the implementation of the proposed amendment, as of the Record Date, 6,634,571 Common Shares were issuable in respect of currently outstanding options. Further, the Stock Option Plan prescribes various limits to the number of Common Shares that can be reserved for issuance for specific grants made under the Stock Option Plan. These limits include: (a) subject to receipt of disinterested shareholder approval, the aggregate number of Common Shares reserved for issuance under options granted to any one eligible person shall not exceed 5% of the issued and outstanding Common Shares in any twelve month period; (b) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant or an individual engaged in Investor Relations Activities shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period; and (c) subject to receipt of disinterested shareholder approval, the number of Common Shares reserved for issuance under options granted to related persons shall not exceed 10% of the issued and outstanding Common Shares (collectively, the “Existing Limits”).

If the amendment to the Stock Option Plan is approved, a maximum number of 13,269,142 Common Shares will be available for issuance under the Amended Stock Option Plan: (i) 6,180,000 Common Shares reserved for issuance in respect of currently outstanding options granted under the Stock Option Plan (representing approximately 9.3% of the issued and outstanding Common Shares); and (ii) 7,089,142 Common Shares available for issuance in respect of options that may be granted under the Amended Stock Option Plan (representing approximately 10.7% of the issued and outstanding Common Shares). Under the Amended Stock Option Plan, the Existing Limits will be amended and the limits to the number of Common Shares which can be reserved for issuance for grants made under the Amended Stock Option Plan shall be limited to: (a) the aggregate number of Common Shares reserved for issuance under options issued to insiders may exceed 10% of the issued and outstanding Common Shares; (b) the aggregate number of Common Shares reserved for issuance under options may exceed 5% of the issued and outstanding Common Shares in any twelve month period; (c) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant of the Company, or any subsidiary of the Company,

shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period, and (d) the aggregate number of Common Shares reserved for issuance under stock options granted to any one employee of the Company or any subsidiary of the Company, which is engaged in Investor Relation Activities shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period. A copy of the proposed Amended Stock Option Plan can be obtained by contacting the Company's Corporate Secretary.

The proposed amendments to the Stock Option Plan are necessary for the Company to be able to continue implementing its compensation plan and provide the Company with the flexibility to award grants under the Amended Stock Option Plan to achieve appropriate equity incentives.

The Amended Stock Option Plan must be approved by a majority of the votes cast by all Shareholders at the Meeting who are not Insiders to whom stock options may be granted under the Stock Option Plan and their associates (the "Disinterested Shareholders").

Accordingly, Disinterested Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "Amended Stock Option Plan Resolution"):

**RESOLVED THAT:**

1. The amended stock option plan (the "Amended Stock Option Plan") of the Company, as described in the management information circular dated July 20, 2018, is hereby approved.
2. The board of directors of the Company be and is hereby authorized on behalf of the Company to make any amendments to the Amended Stock Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Company, in order to ensure the adoption and efficient function of the Amended Stock Option Plan; and
3. any director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Amended Stock Option Plan.

***MANAGEMENT RECOMMENDS THE APPROVAL OF THE AMENDED STOCK OPTION PLAN.***

**MANAGEMENT CONTRACTS**

Other than as disclosed elsewhere in this Circular, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

**AUDIT COMMITTEE**

The Company is required to have an audit committee (the "Audit Committee") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

**Audit Committee Charter**

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

## **Composition of Audit Committee and Independence**

The Company's current Audit Committee consists of Devon Brown, Peter Hinam and Ian Tostenson. National Instrument 52-110 *Audit Committees*, ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee three members, two are considered "independent" within the meaning of NI 52-110. Peter Hinam is not independent as he indirectly accepts a consulting fee from the Company in consideration for providing accounting and administrative services to the Company.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

### **Relevant Education and Experience**

**Devon Brown**, is a CPA and former CFO of Turquoise Capital Corp. Mr. Brown was previously the CFO of MMJ Bioscience Inc. in conjunction with its reverse takeover listing with an Australian Stock Exchange company.

**Peter Hinam**. Mr. Hinam served as CEO and a director of Turquoise Capital Corp. Mr. Hinam has been a director of the Company since early 2017.

**Ian Tostenson** - Mr. Tostenson is the President and Chief of Executive Officer of British Columbia Restaurant and Food Services. He spent most of his career as President and Chief Executive Officer of Cascadia Brands Inc., a company listed on the Vancouver and Toronto Stock Exchanges which owns the following brands: Calona Vineyards, Sandhill Vineyards, Burrowing Owl Vineyards, Granville Island Brewing, Potter Distilling, and Grady Wine Marketing. He has served on the board as director and was the President of the David Foster Foundation for over 22 years.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;



- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

### Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Dale Matheson CarrHilton Labonte LLP and D & H Group LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2017</u>	<u>2016</u>
Audit fees <sup>(1)</sup> .....	\$28,000	\$10,900
Audit related fees <sup>(2)</sup>	Nil	Nil
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Tax fees <sup>(3)</sup>	900	900
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All other fees <sup>(4)</sup>	Nil	Nil
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Total	<u>\$28,900</u>	<u>\$11,800</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

### Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

### Board of Directors

Management is nominating four individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Kelly Abbott, who is the Chief Executive Officer of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the Audit Committee chairperson. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “Act”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its audit committee.

### **Directorships**

None of the Company’s directors are currently acting as a director of another reporting issuer.

### **Orientation and Continuing Education**

The Board’s practice is to recruit for the Board only persons with extensive experience in identifying and targeting junior businesses for transactions and in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company’s affairs and plans prior to obtaining their consent to act as a director.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company’s operations allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the

Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

### **Compensation**

The Board endeavours to conduct reviews with regard to directors' and officers' compensation at least once a year. To make its recommendation on directors' and officers' compensation, the Board relies solely on the experience and knowledge of its members.

### **Committees**

The Board has one standing committee, being the Audit Committee. Please see "*Audit Committee*" for more information.

### **Assessments**

The Board reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2017, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information

concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 604-401-8700.

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 10th day of July, 2018.

**ON BEHALF OF THE BOARD**

(signed) "*Kelly Abbott*"

Kelly Abbott  
CEO & Director

## Schedule "A"

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### PARCELPAL TECHNOLOGY INC. Audit Committee Charter

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The Audit Committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
  - (ii) the auditor's report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,

- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of 3 directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.