

**PARCELPAL TECHNOLOGY INC.**

**Annual General and Special Meeting  
to be held on October 15, 2019**

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

**September 17, 2019**

## PARCELPAL TECHNOLOGY INC.

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

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special 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 **Tuesday, October 15, 2019 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, 2018 together with the auditor’s report thereon, and consider resolutions to:

1. to fix the number of directors at seven (7);
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 an ordinary resolution approving the adoption of new articles of the Company; 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 11:00 a.m. (Pacific Time) on Thursday, October 10, 2019 (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 September 9, 2019 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 17<sup>th</sup> day of September, 2019

#### 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 September 17, 2019, 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 Tuesday, October 15, 2019 (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, October 10, 2019, 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.

## **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 81,845,580 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 September 9, 2019 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.

### **NUMBER OF DIRECTORS**

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at seven (7). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at seven (7).

***MANAGEMENT RECOMMENDS THE APPROVAL OF THE RESOLUTION TO SET THE NUMBER OF DIRECTORS OF THE COMPANY AT SEVEN (7).***

### **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 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>
<p><b>Kelly Abbott</b> British Columbia, Canada <i>Chief Executive Officer, and Director</i></p>	<p>CEO of the Company on April 13, 2016, Consultant, employed by OPTIS Consulting from July 2015 to November 2015.</p>	<p>September 8, 2016</p>	<p>2,869,511</p>
<p><b>Peter Hinam<sup>(2)</sup></b> British Columbia, Canada <i>Chief Strategy Officer and Director</i></p>	<p>Director of Greenfield Global Projects Inc. since November 2016, 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 5, 2017</p>	<p>745,757</p>
<p><b>Devon Brown<sup>(2)</sup></b> British Columbia, Canada <i>Chief Financial Officer and Director</i></p>	<p>Director and CFO of Greenfield Global Projects Inc. since November 2016, 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>December 4, 2017</p>	<p>114,141</p>
<p><b>Ian Tostenson<sup>(2)</sup></b> 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>
<p><b>Brian Storseth</b> British Columbia, Canada <i>Director</i></p>	<p>Member of Parliament for Westlock-St-Paul from 2006 to 2015, Chairman of Reliq Health Technologies' and managing partner of Maverick Capital Fund.</p>	<p>February 11, 2019</p>	<p>17,143</p>
<p><b>Robert G. Faissal</b> Ontario, Canada <i>Proposed Director</i></p>	<p>Managing Partner of Lebita Consulting Services LLC.</p>	<p>-</p>	<p>Nil</p>

<b>Alex Nuttall</b> Ontario, Canada <i>Proposed Director</i>	Member of Parliament for Barrie-Springwater-Oro-Medonte from October 2015, Official Opposition Shadow Minister for Youth, Sports and Persons with Disabilities from August 30, 2017, Shadow Minister for Internal Trade from January 2019 to March 2019.	-	Nil
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Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at September 9, 2019, 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.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

The following information, dated as of September 17, 2019, is provided as required under Form 51-102F6V for venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

During the financial year ended December 31, 2018, the Company had two NEOs, namely:

- (i) Kelly Abbott, who has been the Chief Executive Officer since September 8, 2016; and
- (ii) Devon Brown, who has been the Chief Financial Officer since December 4, 2017.

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table (presented in accordance with National Instrument Form 51-102F6 Statement of Executive Compensation) excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended December 31, 2018 and 2017. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission,(\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Kelly Abbott, CEO and Director	2018	75,875	-	-	-	-	75,875
	2017	42,987	120,000	-	-	-	331,616
Devon Brown, CFO and Director	2018	32,000	-	-	-	-	32,000
	2017	Nil	-	-	-	-	Nil
Peter Hinam, Director	2018	4,000	-	-	-	-	4,000
	2017	39,000	-	-	-	-	39,000

**Stock Options and Other Compensation Securities and Instruments**

The following table of compensation securities provides a summary of all compensation securities granted, or issued by the Company to each NEO and directors of the Company for the fiscal year ended December 31, 2018, for services provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities,	Date of issue or	Issue, conversion or exercise price	Closing price of security or underlying	Closing price of security or underlying	Expiry date

		number of underlying securities, and percentage of class	grant	(\$)	security on date of grant (\$)	security at year end (\$)	
Kelly Abbott, <sup>(2)</sup> CEO and Director	Option Shares	800,000	Jan 23, 2018	0.315	0.275	0.235	Jan 23, 2023
	Shares	90,000	June 26, 2018	0.20	0.20	0.235	n/a
	Shares	37,500	Sept 10, 2018	0.24	0.24	0.235	n/a
	Shares	37,500	Oct 25, 2018	0.34	0.34	0.235	n/a
Devon Brown, <sup>(2)</sup> CFO and Director	n/a	Nil	n/a	n/a	n/a	n/a	n/a
	Shares	60,000	June 26, 2018	0.20	0.20	0.235	n/a
	Shares	37,500	Sept 10, 2018	0.24	0.24	0.235	n/a
	Shares	37,500	Oct 25, 2018	0.34	0.34	0.235	n/a
Peter Hinam, <sup>(2)</sup> Director	Option Shares	150,000	Jan 23, 2018	0.315	0.275	0.235	Jan 23, 2018
	Shares	90,000	June 26, 2018	0.20	0.20	0.235	n/a
	Shares	37,500	Sept 10, 2018	0.24	0.24	0.235	n/a
	Shares	37,500	Oct 25, 2018	0.34	0.34	0.235	n/a
Ian Tostenson, Director	n/a	Nil	n/a	n/a	n/a	n/a	n/a
Brian Storseth <sup>(1)</sup> , Director	Options	750,000	Dec 13, 2018		0.245	0.235	Dec 3, 2023

Notes:

- (1) Brian Storseth became a director on February 11, 2019 and was granted options under a Consulting Services Agreement.
- (2) Shares were issued for debt for services provided to the Company by certain directors.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the fiscal year ended December 31, 2018:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Kelly Abbott, CEO and Director	Options	100,000	0.05	Jan 25, 2018	0.255	0.095	5,000
		200,000	0.12				24,000
		100,000	0.16				16,000
Devon Brown, CFO and Director	n/a	Nil	n/a	n/a	n/a	n/a	n/a
Peter Hinam, Director	n/a	Nil	n/a	n/a	n/a	n/a	n/a

Ian Tostenson, Director	n/a	Nil	n/a	n/a	n/a	n/a	n/a
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### Employment, Consulting and Management Agreements

Other than as set forth below, the Company has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.

The Company entered into a consulting agreement, (the "Consulting Agreement") with Kelly Abbott whereby Mr. Abbott was paid a salary of \$3,333 per month (payable bi-weekly in equal installments) in consideration of providing his services as Chief Executive Officer to the Company. The initial term of the Consulting Agreement was for 90 days following which it is automatically renewed for successive terms of one month until the termination of the Consulting Agreement. Either party may terminate the Consulting Agreement for any breach of the Consulting 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 Consulting Agreement at any time by giving the other party at least seven days' written notice prior to the effective date of the termination.

### Oversight and Description of Director and NEO Compensation

The Company has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. Given the Company's current stage of development, the Company does not currently have an active compensation committee in place.

Executive compensation awarded to the named executive officers consists of two components: (i) management fees and (ii) stock options. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Company's compensation program.

### Pension

The Company does not provide any pension benefits for directors or executive officers.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, for the financial year ended December 31, 2018:

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by the security holders	10,829,000	0.24	2,440,142

Equity compensation plans not approved by the security holders	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil

### **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**

#### **Amendment to articles**

The directors are recommending that the Company adopt a new form of Articles (the "Revised Articles") in order to replace the Company's existing Articles (the "Existing Articles"). The Revised Articles will allow the Company to take advantage of certain mechanisms permitted by the British Columbia *Business Corporations Act* (the "Act").

#### *Key Provisions of Revised Articles*

The following is a summary of certain key provisions contained in the Revised Articles that represent a change from the Existing Articles:

1. Certain alterations to share capital may only be made with an ordinary resolution of the shareholders, including share consolidations and share subdivisions, under the Existing Articles. The Revised Articles will allow such changes to be made by the directors (including any necessary amendments to the Company's Notice of Articles) so long as such changes do not create or vary any special rights or restrictions attached to a class of shares.
2. The Revised Articles will contain "Advance Notice" provisions, information concern which is provided below under "Advance Notice Provisions".

#### *Advance Notice Provisions*

The Revised Articles also incorporates a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Company other than pursuant to: (i) a requisition to call a shareholders' meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "BCA"), or (ii) a shareholder proposal made pursuant to the provisions of the BCA (the "Advance Notice Provision").

Among other things, the Advance Notice Provision fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Provision provides a clear process for shareholders to follow to nominate directors and sets out a reasonable time frame for nominee submissions along with a requirement for accompanying information. The purpose of the Advance Notice Provision is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Provision should assist in facilitating an orderly and efficient meeting process.

#### *Shareholder Approval*

Shareholders will be asked at the Meeting to approve with or without variation the following ordinary resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the Existing Articles of the Company be cancelled and the Revised Articles, as described in the Company's Information Circular dated September 17, 2019, be adopted as the Articles of the

Company; and

- (b) any one director or officer of the Company be authorized to execute and deliver all such documents and instruments, including the Revised Articles, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.”

Shareholders may request a full copy of the Revised Articles by contacting the Company by mail Suite 704 -595 Howe Street, Vancouver, BC V6C 2T5.

***Management recommends the approval of the Revised Articles.***

## **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:

	<b>2018</b>	<b>2017</b>
Audit fees <sup>(1)</sup> .....	\$25,305	\$28,900
Audit related fees <sup>(2)</sup>	Nil	Nil



Tax fees <sup>(3)</sup>	Nil	900
----- All other fees <sup>(4)</sup>	Nil	Nil
----- Total	<u>\$25,305</u>	<u>\$28,900</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, Devon Brown, who is the Chief Financial Officer and Peter Hinam 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 in 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, 2018, 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 17th day of September, 2019.

**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.

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