UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from _____ to

Commission file number 000-56191

ParcelPal Technology Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

British Columbia, Canada

(Jurisdiction of incorporation or organization)

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

(Address of principal executive offices)

Rich Wheeless

(e) rich@parcelpal.com (t) +1 587 883 9811

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

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

None

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Common Shares

*Not for trading, but only in connection with the registration of American Depositary Shares. Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Not Applicable

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of outstanding Common Shares of the issuer as at December 31, 2020, was 102,953,973.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If 'Other' has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F includes forward-looking statements, which involve a number of risks and uncertainties. These forward-looking statements can generally be identified as such because the context of the statement will include words such as “may,” “will,” “intend,” “plan,” “believe,” “anticipate,” “expect,” “estimate,” “predict,” “potential,” “continue,” “likely,” or “opportunity,” the negative of these words or other similar words. Similarly, statements that describe our future plans, strategies, intentions, expectations, objectives, goals or prospects and other statements that are not historical facts are also forward-looking statements. Discussions containing these forward-looking statements may be found, among other places, in “Business Overview” and “Operating and Financial Review and Prospects” in this annual report on Form 20-F. These forward-looking statements are based largely on our expectations and projections about future events and future trends affecting our business and are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. These risks and uncertainties include, without limitation, those discussed in “Risk Factors” and in “Operating and Financial Review and Prospects” of this annual report. In addition, past financial or operating performance is not necessarily a reliable indicator of future performance, and you should not use our historical performance to anticipate results or future period trends. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. Except as required by law, we undertake no obligation to update publicly or revise our forward-looking statements to reflect events or circumstances that arise after the filing of this annual report on Form 20-F.

In this annual report on Form 20-F, “ParcelPal,” “Company,” “we,” “us” and “our” refer to ParcelPal Technology Inc., unless the context otherwise provides.

IMPLICATIONS OF BEING A FOREIGN PRIVATE ISSUER

We report under the Exchange Act as a non-U.S. company with foreign private issuer (“FPI”) status. So long as we qualify as an FPI under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Securities Exchange Act of 1934 (the “Exchange Act”) regulating the solicitation of proxies in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the Securities and Exchange Commission (the “SEC”) of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

We may take advantage of these exemptions until such time as we are no longer an FPI. We would cease to be an FPI at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

EMERGING GROWTH COMPANY

According to the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), we qualified as an emerging growth company at the time we first submitted our registration statement on Form 20-F to the SEC and, accordingly, we would be eligible to comply with reduced disclosure requirements applicable to emerging growth companies for up to five years or such earlier time that we would no longer be an emerging growth company. We would cease to be an emerging growth company if we had $1.07 billion in annual gross revenues or more, more than $700 million in market value of the common shares held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period. These reduced disclosure requirements and exemptions would include:

- the ability to include only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;

- to the extent that we no longer qualify as a foreign private issuer ("FPI"), reduced disclosure obligations regarding executive compensation in this annual report and other periodic reports or registration statements; and

- an exemption from compliance with the requirement that the Public Company Accounting Oversight Board has adopted regarding a supplement to the auditor's report providing additional information about the audit and the financial statements for this annual report and other periodic reports or registration statements.

However, even though we qualify as an emerging growth company, we have determined not to avail ourselves of these scaled disclosure requirements at this time and to instead comply with the foreign private issuer rules which are set forth in above.2

PART I

Item 1. Identity of Directors, Senior Management and Advisors

A. Directors and Senior Management

For the names, business addresses and functions of our directors and senior management, see "Item 6. Directors, Senior Management and Employees – A. Directors and Senior Management" and "Item 6. Directors, Senior Management and Employees – C. Board Practices."

B. Advisers

Our principal legal adviser is Rimôn P.C., 245 Park Avenue, 39th Floor, New York, NY 10167.

C. Auditors

Our auditors for the years 2018, 2019 and 2020 were Dale Matheson Carr-Hilton Labonte LLP.

Item 2. Offer Statistics and Expected Timetable

Item 2 details are not required to be disclosed as part of the annual report.

Item 3. Key Information

A. Selected financial data

The selected financial data have been derived from the financial statements of the Company for and as of the years ended December 31, 2020, 2019, and 2018 included in this annual report.

This financial report complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been audited in accordance with the Public Company Accounting Oversight Board ("PCAOB") auditing standards in the United States by the Company's independent registered public accounting firm. The Company's year ends on December 31.

Summary of profit or loss and other comprehensive income (IFRS)	2020 C$	2019 C$	2018 C$
Revenue and other income	6,317,329	4,782,865	3,369,630
Loss before income tax expense from continuing operations	(4,874,082)	(4,610,512)	(3,664,376)
Loss after income tax expense from discontinued operations	—	—	—
Loss after income tax expense for the period	(4,874,082)	(4,610,512)	(3,664,376)
Net (loss) attributable to shareholders of ParcelPal	(4,874,082)	(4,610,512)	(3,664,376)
Earnings per share for loss from continuing operations attributable to the owners of ParcelPal			
Basic (loss) per share (cents per share)	(0.05)	(0.06)	(0.06)

Summary of profit or loss and other comprehensive income (IFRS)	2020 C$	2019 C$	2018 C$
Diluted (loss) per share (cents per share)	(0.05)	(0.06)	(0.06)
Weighted average number of common share shares used to calculate earnings per share	91,147,886	80,778,869	66,902,789
Number of outstanding common shares at period end	102,953,973	86,944,353	76,434,953

Summary of financial position (IFRS)	2020 C$	2019 C$	2018 C$
Cash	255,668	295,593	2,079,986
Total assets	999,238	1,328,620	3,332,293
Net assets/Equity	(2,156,332)	433,968	2,366,939
Debt	766,070	—	—
Capital Stock	11,408,737	9,367,691	7,693,401

The Company publishes its financial statements expressed in Canadian dollars. In this annual report, references to "U.S. dollars" or "US$" are to the currency of the United States of America ("U.S.") and references to "Canadian dollars" "$" or "C$" are to the currency of Canada.

Our financial statements, including our Statement of Changes in Equity and our Statement of Cash Flows, included in this annual report are incorporated herein.

B. Capitalization and Indebtedness.

The following table sets forth our capitalization and indebtedness on an actual basis as of December 31, 2020, as derived from our financial statements, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. The information in this table should be read in conjunction with the financial statements and notes related thereto.

	As of December 31, 2020 (C$)
Cash and cash equivalents	255,668
Borrowings	(766,070)
Equity:	
Issued capital	11,408,737
Subscriptions received in advance	--
Reserves	3,363,593
Accumulated losses	(16,928,662)
Total equity	(2,156,332)
Total capitalization	(2,666,734)

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk factors

Investment in our common shares involves a high degree of risk. You should consider carefully the risks described below, and our other public filings, before making any investment decisions regarding our securities. You should not construe the information provided herein as constituting investment, legal, tax or other professional advice. If any of the following events actually occur, our business, operating results, prospects or financial condition could be materially and adversely affected. This could cause the trading price of our common stock to decline and you may lose all or part of your investment. Moreover, the risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business, operating results, prospects or financial condition. The Company makes no representations or warranties of any kind with respect to the likelihood our business will succeed, any financial returns that may be generated or any tax benefits or consequences that may result from an investment in the Company.

Risks Related to Our Financial Condition and Capital Requirement

The terms of the convertible notes outstanding may adversely impact our business operations.

On April 14, 2020, June 29, 2020 and on September 29, 2020, we completed a non-brokered private placement pursuant to which it issued an unsecured convertible note Tangiers Global, LLC with a face value of up to US$367,500, US$210,000 and US$525,000, respectively. Subsequent to the reporting period of this annual report, on March 12, 2021, we also completed an additional non-brokered private placement in which we issued to Tangiers Global, LLC an unsecured convertible note carrying a face value of US$1,050,000, but which is to be issued in three tranches of US$350,000, US$325,000 and US$325,000 at closing and 30 and 60 days thereafter (all convertible notes, collectively, the "Notes"). In the case of an Event of Default under the terms of the convertible notes, which include cross-default provisions with respect to any breach of any term of other notes or similar debt instrument, that we fail to cure within the appropriate grace period, we would be considered in default under the Notes. As a result, the Principal Amount of the Notes then outstanding and owing through the date of acceleration, shall become, at the holder's election, immediately due and payable in cash.

Should the Company for some reason default on any of the Notes, or on one of its other debt instruments, exercisable securities or convertible notes, if any, such default may materially impair our ability to execute our business plan or be able to fund operations as it may cause the loss of our assets and significantly increase the principal amounts, amount of stock issuable and calculated interest rates thereunder, which, in turn, could cause our stock price to decrease significantly, result in substantial dilution or cause us the inability to raise additional equity capital.

Risks Related to Our Business Operations

Our business and financial performance may be adversely affected by downturns in the target markets that we serve.

Demand for our services can be affected by general economic conditions as well as product sale trends of our customers in our target markets. These changes may result in decreased demand for our services. The occurrence of these conditions is beyond our ability to control and, when they occur, they may have a significant impact on our sales, revenues and results of operations.

Because we continue to develop and commercialize new customers and products, we expect to incur significant additional operating losses.

Although we have commercialized our business in certain markets, we continue to develop new customers, in new markets and continue to look to further expand our base of customers, and therefore the size of our workforce. As a result, we expect to incur substantial additional operating expenses over the next several years as our development, expansion and new business venture activities increase and the concomitant costs and expenses of such new business endeavors increase. The amount of our future losses and when we will achieve profitability are uncertain. We remain relatively early in our expansion and marketing efforts of or services, which has resulted in several million in annual commercial revenue, but there is no guarantee that we can generate sufficient revenue to sustain operations or achieve profitability. Our ability to generate increased revenue and achieve profitability will depend on, among other things, the following:

- realizing revenue from our existing and additional new customers, in new markets and at margins that are sufficiently improved;
- establishing more substantial sales and marketing arrangements, either alone or with additional third parties;
- improving our profit and operating margins with existing and new customers;
- sourcing and leasing dedicated warehousing facility space; and
- raising sufficient funds to finance our activities, or on terms that are acceptable.

We might not succeed at all, or at any, of these undertakings. If we are unsuccessful at some or all of these undertakings, our business, prospects, and results of operations may be materially adversely affected.

We have a few customer agreements on which we are highly dependent.

Since inception, the Company has entered into a number of customer agreements which generate the vast majority of our gross revenue. And while we have more recently undertaken an expansion and diversification business plan to lessen this concentration of customer revenue, in the near term, these agreements are a critical component in the Company's success in generating sufficient sales related cash flow to fund ongoing operations. In particular, the revenue generated from the agreement we entered into with Amazon amounted to 99% of our total revenue for 2019 and amounted to 94% of our total revenue for 2020. Because of our continued customer diversification, we currently expect the gross revenue generated from the Amazon agreement to amount to 88% of our total revenue for 2021.

These contracts are relationship based and involve a high degree of trust that the customer(s) continue for a long period of time. However, under these agreements, the Company would have no recourse against certain customers if they determined to terminate the agreement or they utilized other service providers that may compete with us. These customers could additionally underperform, not perform at all under these agreements and even walk away entirely.

The loss of key senior management personnel and other key personnel could negatively affect our business

We are highly dependent on our management team and certain personnel to successfully operate our business. Like many operating companies, the future success of the Company will be based in large part on the quality of the Company's management and key personnel. The Company's management and key personal possess valuable knowledge about the transportation and logistics industry and their knowledge of and relationships with the Company's key customers and vendors, including the addition of new customers and expansion of the Company's existing business, would be difficult to replace. While we currently maintain key-man insurance coverage, the loss of key personnel could have a negative effect on the Company. There can be no assurance that the Company will be able to retain its current key personnel, or be able to retain additional key personnel to address its expansion plans or, in the event of their departure, to develop or attract new personnel of equal quality.

If we are unable to attract, train and retain highly qualified personnel, the quality of our services may decline and we may not successfully execute our internal growth strategies.

Our success will depend in large part upon our ability to attract, train, motivate and retain highly skilled and experienced employees in the areas of business into which we expand, including technical personnel. Qualified technical employees periodically are in great demand and may be unavailable in the time frame required to satisfy our operating requirements. Expansion of our business could further require us to employ additional highly skilled technical personnel.

There can be no assurance that we will be able to attract and retain sufficient numbers of highly skilled technical employees in the future. The loss of personnel or our inability to hire or retain sufficient personnel at competitive rates of compensation could impair our ability to develop our products or services or secure and complete customer engagements and could harm our business.

If we do not effectively manage growth and changes in our business, these changes could place a significant strain on our management and operations.

Our ability to grow successfully requires an effective planning and management process. The expansion and growth of our business could place a significant strain on our management systems, infrastructure and other resources. To manage our growth successfully, we must continue to improve and expand our systems and infrastructure in a timely and efficient manner. Our controls, systems, procedures and resources are currently not adequate to support a rapidly changing and growing company. If our management fails to respond effectively to changes and rapid growth in our business, including acquisitions or growth of our business, there could be a material adverse effect on our business, financial condition, results of operations and future prospects.

We may be unable to identify additional operating businesses or assets, and even if we do, we may be unable to finance such an acquisition.

Our business growth and expansion strategies ultimately include making significant investments in sales and marketing programs, either directly or indirectly, to achieve revenue growth and margin improvement targets. If we do not achieve the expected benefits from these time and capital investments or otherwise fail to execute on our strategic initiatives, we may not achieve the growth improvement we are targeting, and our results of operations may be adversely affected. We may also fail to secure the capital necessary to make these investments, which would hinder our growth.

In addition, as part of our strategy for growth, we may make acquisitions, enter into strategic alliances, joint ventures, licensing transactions, joint development agreements and/or other strategic transactions. However, we may not be able to identify suitable acquisition or other strategic partner candidates, complete acquisitions or integrate acquisitions or joint ventures successfully, and such strategic alliances may not prove to be successful. In this regard, acquisitions and other strategic transactions may involve delving into consumer product sales, and may also involve numerous risks, including difficulties in the integration of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. Although we will endeavor to evaluate the risks inherent in any particular transaction, there can be no assurance that we will properly ascertain all such risks. In addition, acquisitions and other strategic transactions, if consummated, may fail to be successful, may require consents of such targets customers or be subject to termination, some of which may be out of our control, may result in litigation, could result in the incurrence of substantial additional indebtedness and other expenses or in potentially dilutive issuances of equity securities. Even if we identify assets, transactions or additional lines of business, we may have insufficient liquidity to be able to complete such a transaction. There can be no assurance that difficulties encountered with such transaction(s) will not have a material adverse effect on our business, financial condition and results of operations.

We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.

Our ability to grow successfully requires an effective planning and management process. In the near term, we intend to expand the scope of our operations activities significantly. If we are successful in executing our business plan, we will experience growth in our business that could place a significant strain on our business operations, finances, management, and other resources. In the event of a significant acquisition, we may also need to retain or hire management and staff, which will require capital and time and other resources, all or any of which may place additional strain on the Company's management and resources. The factors that may place strain on our resources include, but are not limited to, the following:

- the need for continued development of our financial and information management systems;
- the need to manage strategic relationships and agreements with distributors, customers, and strategic partners;
- difficulties in hiring and retaining skilled management, technical, and other personnel necessary to support and manage our business.

Additionally, our strategy envisions a period of growth that may impose a significant burden on our administrative, infrastructure and operational resources. Our ability to effectively manage growth, either organic growth or through an acquisition or merger, will require us to substantially and timely expand and/or integrate the capabilities of our (or such target's) administrative and operational resources and to attract, train, manage, and retain qualified management and/or other personnel.

There can be no assurance that we will be successful in recruiting and retaining new employees or retaining existing employees.

We cannot provide assurances that our management will be able to manage this growth effectively, efficiently or in a timely manner. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments or otherwise materially adversely affecting our business, financial condition, results of operations or future prospects. Our controls, systems, procedures and resources are currently not adequate to support a changing and growing company.

We are and will be dependent on the popularity of our services, recurring business opportunities and a healthy economy.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on acceptance and demand of our product services, a consistent recurring revenue stream and on the positive health of the economy that requires and encourages last mile delivery services. Acceptance of our services will depend on several factors, including availability, cost, customer familiarity of our services, brand recognition, convenience, effectiveness, safety, and reliability. If customers do not repeatedly seek our services, or if we fail to meet customers' needs and expectations adequately, our ability to continue generating revenues could be reduced or otherwise materially impacted.

We are a publicly registered company in the United States and Canada that is subject to the reporting requirements of U.S. federal and Canadian securities laws, which can be expensive and may divert resources from other projects, thus impairing our ability to grow.

We are a public reporting company and, accordingly, subject to the information and reporting requirements of the Exchange Act, the Canadian Business Corporations Act, the British Columbia Corporation Act and other federal securities and regulatory laws, rules and regulations. The costs of preparing and filing annual, quarterly and current reports, proxy or shareholder circulars, as applicable, audited financial statements and other information with the SEC and on SEDAR, furnishing reports to stockholders and other requirements causes our expenses to be higher than they would have been if we were a privately held company.

These rules and regulations increase our compliance costs and make certain activities more time consuming and costly. In addition, as a public company, it is also more difficult and expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

The Sarbanes-Oxley Act also requires corporate governance practices of public companies, which can be disproportionately burdensome to smaller reporting companies. As a smaller reporting company (as defined in Rule 12b-2 under the Exchange Act), we are required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Section 404 requires us to include an internal control report with the annual report. This report must include management's assessment of the effectiveness of our internal control over financial reporting as of the end of the year. This report must also include disclosure of any material weaknesses in internal control over financial reporting that we have identified. Failure to comply, or any adverse results from such evaluation, could result in a loss of investor confidence in our financial reports and have an adverse effect on the trading price of our equity securities. Management believes that our internal controls and procedures are currently not effective to detect the inappropriate application of applicable financial reporting rules. Management realizes there are deficiencies in the design or operation of our internal control that adversely affect our internal controls which management considers to be material weaknesses including those described below:

- we have insufficient quantity of dedicated resources and experienced personnel involved in reviewing and designing internal controls. As a result, a material misstatement of the interim and annual financial statements could occur and not be prevented or detected on a timely basis.

- we did not perform an entity level risk assessment to evaluate the implication of relevant risks on financial reporting, including the impact of potential fraud-related risks and the risks related to non-routine transactions, if any, on our internal control over financial reporting. Lack of an entity-level risk assessment constituted an internal control design deficiency which resulted in more than a remote likelihood that a material error would not have been prevented or detected, and constituted a material weakness.

- we have not achieved the optimal level of segregation of duties relative to key financial reporting functions.

Achieving continued compliance with Section 404 may require us to incur significant costs and expend significant time and management resources. We cannot assure you that we will be able to fully comply with Section 404 or that we and our independent registered public accounting firm would be able to conclude that our internal control over financial reporting is effective at year-end.

As a result, investors could lose confidence in our reported financial information, which could have an adverse effect on the trading price of our securities, as well as subject us to civil or criminal investigations and penalties. In addition, our independent registered public accounting firm may not agree with our management's assessment or conclude that our internal control over financial reporting is operating effectively.

Foreign currency risk.

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. To the extent that the Company settles or may settle in the future its revenue and incurs expenses in U.S. dollars and, therefore, the fluctuation in foreign currencies in relation to the Canadian dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of equity.

Risks related to customer credit and accounts receivables.

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash and cash equivalents, trade and other receivables. Cash and cash equivalents are maintained with highly rated financial institutions and may be redeemed upon demand. The company is exposed to a significant concentration of credit risk with respect to certain of its trade accounts receivable balance because of its historical dependence on a limited number of customers. All accounts receivable balances are expected to be settled in full when due. The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount if these financial assets as recorded in the statement of financial position.

We may be unable to meet our financial obligations when they become due.

Our success may be affected by a variety of external factors that may affect the price or marketability of our services, including disruptions in the capital markets, changes in interest rates that may increase our funding costs, and reduced demand for our services. As a result, our ability to generate cash to meet our obligations could be adversely impacted.

Our cash was C$255,668 in 2020, C$295,593 in 2019, C$2,079,986 in 2018. Our current liabilities were C$3,035,403 in 2020, C$888,811 in 2019, C$762,556 in 2018. Even though our policy is to ensure that we will always have sufficient cash to our obligations when they become due, under both normal and stressed conditions, we may not be able to do so. If we are unable to meet our obligations, our business operations may be negatively affected.

Our independent auditors have expressed their concern as to our ability to continue as a going concern.

We reported an accumulated deficit of C$16,928,662 and had a stockholders' deficit of C$2,156,332 at December 31, 2020. As a result of our financial condition, we have received a report from our independent registered public accounting firm for our financial statements for the years ended December 31, 2020, 2019, and 2018, that includes an explanatory paragraph describing the uncertainty as to our ability to continue as a going concern without the infusion of significant additional capital. There can be no assurance that management will be successful in implementing its plans. If we are unable to raise additional financing, we may cease operations.

We face intense competition.

Our businesses are rapidly evolving and intensely competitive, and we have many competitors across geographies, including cross-border competition, and in different industries, including physical, e-commerce, and omnichannel retail, e-commerce services, web and infrastructure computing services, electronic devices, digital content, advertising, grocery, and transportation and logistics services. Some of our current and potential competitors have greater resources, longer histories, more customers, and/or greater brand recognition, particularly with our newly-launched products and services and in our newer geographic regions. They may secure better terms from vendors, adopt more aggressive pricing, and devote more resources to technology, personnel including drivers, infrastructure, fulfillment, and marketing.

Competition continues to intensify, including with the development of new business models and the entry of new and well-funded competitors, and as our competitors enter into business combinations or alliances and established companies in other market segments expand to become competitive with our business. In addition, new and enhanced technologies, including search, web and infrastructure computing services, digital content, and electronic devices continue to increase our competition. The Internet facilitates competitive entry and comparison shopping, which enhances the ability of new, smaller, or lesser known businesses to compete against us. As a result of competition, our product and service offerings may not be successful, we may fail to gain or may lose business, and we may be required to increase our spending or lower prices, any of which could materially reduce our sales and profits.

Risks related to the 2020 Global Pandemic.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impact on domestic and global commerce have been and are anticipated to continue to be far reaching. To date there have been significant stock market declines and the movement of people and goods worldwide has become severely restricted. Management is actively monitoring the situation and is taking appropriate steps as needed to ensure minimal disruption to the Company’s operations. There is a risk the COVID-19 pandemic will disrupt the Company’s operations and the movement of goods and services, as well as its investments in personnel, expansion, marketing and sales generally. While vaccines and other therapeutics to treat COVID-19 have become available, and certain markets have begun reopening, the global pandemic has severely hampered many industries that will take years to recover, and continues to have adverse negative effects on many workforces, societal norms and industries.

If we expand our operations into the United States, we will face certain additional risks and challenges.

The Company may expand its operations into the United States as part of its business expansion plans, which may come through internal expansion or merger, acquisition or joint venture, and which may subject us to a variety of risks, including fluctuations in foreign currencies, changes in the economic strength or greater volatility in the economies of foreign countries in which the Company does business, integration of workforces, operational challenges inherent in conducting business simultaneously in more than one country, possible loss of foreign private issuer status, capital, time and resource needs of substantial expansion and any regulatory compliance issues that may arise from such expansion, difficulties in enforcing contractual rights and intellectual property rights, compliance burdens associated with export and import laws, theft or vandalism, economic instability, taxes or government royalties by foreign governments, adverse changes in the regulatory environments, including in tax laws and regulations, of the foreign countries in which the Company does business, compliance with anti-corruption and anti-bribery laws, restrictions on the withdrawal of foreign investments, the ability to identify and retain qualified local managers and the challenge of managing a culturally and geographically diverse operation. The Company cannot guarantee compliance with all applicable laws and regulations, and violations could result in substantial fines, sanctions, civil or criminal penalties, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect the Company's results of operations.

Our expansion places a significant strain on our management, operational, financial, and other resources.

We are continuing to significantly expand our operations, including increasing our product and service offerings, exploring the addition of a dedicated warehousing facility and scaling our infrastructure to support our services. The scale of our expanding business might place significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions, and our expansion increases these factors. Failure to manage growth effectively could damage our reputation, limit our growth, and negatively affect our operating results. Any such foreign or domestic jurisdiction expansion, merger or acquisition by us may also result in the failure of our business, result in operating losses, legal proceedings or claims, incurrence of tax obligations, or cause reputational harm or termination of existing business contracts, any one of which could adversely affect our operations, reduction in stock value, among other serious adverse events.

Our expansion into new products, services, technologies, and geographic regions subjects us to additional risks.

We may have limited or no experience in our newer market segments, and our customers may not adopt our product or service offerings. These offerings, which can present new and difficult technology challenges, may subject us to claims if customers of these offerings experience service disruptions or failures or other quality issues. In addition, profitability, if any, in our newer activities may not meet our expectations, and we may not be successful enough in these newer activities to recoup our investments in them. Failure to realize the benefits of amounts we invest in new technologies, products, or services could result in the value of those investments being written down or written off.

We experience significant fluctuations in our operating results and growth rate.

We are not always able to accurately forecast our growth rate. We base our expense levels and investment plans on sales estimates. A significant portion of our expenses and investments is fixed, and we are not always able to adjust our spending quickly enough if our sales are less than expected.

Our revenue growth may not be sustainable, and our percentage growth rates may decrease. Our revenue and operating profit growth depends on the continued growth of demand for the products and services offered by us or our sellers, and our business is affected by general economic and business conditions worldwide. A softening of demand, whether caused by changes in customer preferences or a weakening of the U.S. or global economies, may result in decreased revenue or growth.

Our sales and operating results will also fluctuate for many other reasons, including due to factors described elsewhere in this section including the following:

- our ability to retain and increase sales to existing customers, attract new customers, and satisfy our customers' demands;
- our ability to retain and expand our network of sellers, and to maintain and cost effectively manage costs of our workforce;
- our ability to offer products on favorable terms, manage inventory, securing warehouse facility space, ability to buy or lease new fleet vehicles, and on favorable terms, including costs related to branded vehicles and fulfill orders;
- the introduction of competitive stores, websites, products, services, price decreases, or improvements;
- changes in usage or adoption rates of the Internet, e-commerce, electronic devices, and web services;
- timing, effectiveness, and costs of expansion and upgrades of our systems and infrastructure;
- the success of our geographic, service, and product line expansions;

- the extent to which we finance, and the terms of any such financing for, our current operations and future growth;
- the outcomes of legal proceedings and claims, which may include significant monetary damages or injunctive relief and could have a material adverse impact on our operating results;
- variations in the mix of products and services we sell;
- factors affecting our reputation or brand image;
- the extent to which we invest in technology and content, fulfillment, and other expense categories;
- increases in the prices of fuel and gasoline, as well as increases in the prices of other energy products and commodities like paper and hardware products;
- our ability to collect amounts owed to us when they become due;
- the extent to which use of our services is affected by spyware, viruses, phishing and other spam emails, denial of service attacks, data theft, computer intrusions, outages, and similar events; and
- disruptions from natural or man-made disasters, extreme weather, domestic or global pandemics, geopolitical events and security issues (including terrorist attacks and armed hostilities), labor or trade disputes, and similar events.

We face risks related to successfully optimizing and operating our fulfillment network and data centers.

Failures to adequately optimize and operate our fulfillment network and data centers successfully from time to time result in excess or insufficient fulfillment or data center capacity, increased costs, and impairment charges, any of which could materially harm our business. As we continue to add fulfillment and data center capability or add new businesses with different requirements, our fulfillment and data center networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively.

The seasonality of our retail business places increased strain on our operations.

We experience a higher demand for our services during holiday periods, in particular in the last quarter of our financial year. Our failure to meet customers' delivery orders during that period of our financial year could significantly affect our revenue and our future growth, which could materially reduce profitability.

In addition, if too many customers access our websites within a short period of time due to increased demand, we may experience system interruptions that make our websites unavailable or prevent us from efficiently fulfilling orders, which may reduce the volume of goods we offer or sell and the attractiveness of our products and services. During times of high demand, we may also be unable to adequately staff our fulfillment network and customer service centers during these peak periods and delivery and other fulfillment companies and customer service co-sourcers may be unable to meet the seasonal demand.

We could be harmed by data loss or other security breaches.

Because we collect, process, store, and transmit large amounts of data, including confidential, sensitive, proprietary, and business and personal information, failure to prevent or mitigate data loss, theft, misuse, or other security breaches or vulnerabilities affecting our or customers' technology, products, and systems, could expose us or our customers to a risk of loss, disclosure, or misuse of such information, adversely affect our operating results, result in litigation, regulatory action (including under privacy or data protection laws), and potential liability for us, deter customers or sellers from using our stores and services, and otherwise harm our business and reputation. We use third-party technology and systems for a variety of reasons, including, without limitation, encryption and authentication technology, employee email, content delivery to customers, back-office support, and other functions. Although we have developed systems and processes that are designed to protect customer information and prevent such incidents, including systems and processes designed to reduce the impact of a security breach at a third-party vendor or customer, such measures cannot provide absolute security and may fail to operate as intended or be circumvented.

Government regulation is evolving and unfavorable changes could harm our business.

We are subject to general business regulations and laws, as well as regulations and laws specifically governing the Internet, physical, e-commerce, and omnichannel retail, digital content, web services, electronic devices, artificial intelligence technologies and services, and other products and services that we offer or sell.

Unfavorable regulations, laws, decisions, or interpretations by government or regulatory authorities applying those laws and regulations, or inquiries, investigations, or enforcement actions threatened or initiated by them, could cause us to incur substantial costs, expose us to unanticipated civil and criminal liability or penalties (including substantial monetary fines), diminish the demand for, or availability of, our products and services, increase our cost of doing business, require us to change our business practices in a manner materially adverse to our business, damage our reputation, impede our growth, or otherwise have a material effect on our operations.

We are subject to payments-related risks.

We accept payments using a variety of methods, including credit card, debit card, and payment upon or after delivery. For existing and future payment options we offer to our customers, we currently are subject to, and may become subject to additional, regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in significant costs and reduce the ease of use of our payments products), as well as fraud. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, electronic checks, and promotional financing. In each case, it could disrupt our business if these companies become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. Failure to comply with these rules or requirements, as well as any breach, compromise, or failure to otherwise detect or prevent fraudulent activity involving our data security systems, could result in our being liable for card issuing banks' costs, subject to fines and higher transaction fees, and loss of our ability to accept credit and debit card payments from our customers, process electronic funds transfers, or facilitate other types of online payments, and our business and operating results could be adversely affected.

Risks related to insurance coverage and business-related liability.

The Company's operations are subject to risks inherent in the transportation sector, including personal injury, property damage, workers' compensation and employment and other issues. The Company's future insurance and claims expenses may exceed historical levels, which could reduce the Company's earnings. The Company subscribes for insurance in amounts it considers appropriate in the circumstances and having regard to industry norms. Due to the Company's significant number of drivers, it has exposure to fluctuations in the number or severity of claims and the risk of being required to accrue or pay additional amounts that may not be covered by insurance, or if claims ultimately prove to be in excess of the amounts originally assessed.

Although the Company believes its individual and aggregate insurance limits should be sufficient to cover reasonably expected claims, it is possible that the amount of one or more claims could exceed the Company's aggregate coverage limits or that the Company will choose not to obtain insurance in respect of such claims. If any claim were to exceed the Company's coverage, the Company would bear the excess. The Company's results of operations and financial condition could be materially and adversely affected if (i) cost per claim or the number of claims significantly exceeds the Company's coverage limits; (ii) the Company experiences a claim in excess of its coverage limits; (iii) the Company's insurance carriers fail to pay on the Company's insurance claims; (iv) the Company experiences a significant increase in premiums; or (v) the Company experiences a claim for which coverage is not provided, either because the Company chose not to obtain insurance as a result of high premiums or because the claim is not covered by insurance which the Company has in place.

We require a high number of drivers to maintain our business and generate revenues, and our industry has a high turnover rate.

Increases in driver compensation or difficulties attracting and retaining qualified drivers could have a material adverse effect on the Company's profitability and the ability to maintain or grow the Company's business. Like many in the transportation sector, the Company experiences substantial difficulty in attracting and retaining sufficient numbers of qualified drivers. Our industry periodically experiences a shortage of qualified drivers, including in new geographic regions into which we expand. The Company believes the shortage of qualified drivers and/or intense competition for drivers from competitors will create difficulties in maintaining or increasing the number of drivers as needed at a particular time, and may negatively impact the Company's ability to engage a sufficient number of drivers. The Company's inability to do so may negatively impact its operations. Further, the compensation the Company offers its drivers and independent contractor expenses are subject to market conditions, and the Company may find it necessary to increase driver and independent contractor compensation in future periods.

In addition, the Company and many other delivery service companies suffer from a high turnover rate of drivers. This high turnover rate requires the Company to continually recruit a substantial number of new drivers in order to operate existing revenue operations. Driver shortages are exacerbated during periods of economic expansion, in which alternative employment opportunities, including in the construction and manufacturing industries, which may offer better compensation and/or more time at home, are more plentiful. The Company also employs driver hiring standards, including background checks, which could further reduce the pool of available drivers from which the Company would hire. If the Company is unable to continue to attract and retain a sufficient number of drivers, the Company could be forced to, among other things, adjust in the negative the Company's customer agreements, cancel or lose revenue generating contracts, hire drivers at higher costs (reducing net margins), any of which could adversely affect the Company's growth and profitability.

The Company is heavily dependent on its information systems, and any disruptions could adversely affect our operations and financial condition.

The Company depends heavily on the proper functioning, availability and security of the Company's information and communication systems, including financial reporting and operating systems, in operating the Company's business. The Company's operating system is critical to understanding customer demands, accepting and planning deliveries, dispatching drivers and billing and collecting for the Company's services. The Company's financial reporting system is critical to producing accurate and timely financial statements and analyzing business information to help the Company manage its business effectively. The Company receives and transmits confidential data with and among its customers, drivers, vendors, employees and service providers in the normal course of business.

The Company's operations and those of its technology and communications service providers are vulnerable to interruption by natural and man-made disasters and other events beyond the Company's control, including cybersecurity breaches and threats, such as hackers, malware and viruses, fire, earthquake, power loss, telecommunications failure, terrorist attacks and Internet failures. The Company's systems are also vulnerable to unauthorized access and viewing, misappropriation, altering or deleting of information, including customer, driver, vendor, employee and service provider information and its proprietary business information. If any of the Company's critical information systems fail, are breached or become otherwise unavailable, the Company's ability to manage its driver fleet efficiently, to respond to customers' requests effectively and timely, to maintain billing and other records reliably, to maintain the confidentiality of the Company's data and to bill for services and prepare financial statements accurately or in a timely manner would be challenged. Any significant system failure, upgrade complication, cybersecurity breach or other system disruption could interrupt or delay the Company's operations, damage its reputation, cause the Company to lose customers, cause the Company to incur costs to repair its systems, pay fines or in respect of litigation or impact the Company's ability to manage its operations and report its financial performance, any of which could have a material adverse effect on the Company's business.

We are a "foreign private issuer", and you may not have access to the information you could obtain about us if we were not a "foreign private issuer".

We are considered a "foreign private issuer" under the Securities Act of 1933, as amended. As a foreign private issuer we will not have to file quarterly reports with the SEC nor will our directors, officers and 10% stockholders be subject to Section 16(b) of the Exchange Act. Such exemption may result in shareholders having less data and there being fewer restrictions on insiders' activities in our securities. As a foreign private issuer we will not be subject to the proxy rules of Section 14 of the Exchange Act. Furthermore, regulation FD does not apply to non-U.S. companies and will not apply to us. Accordingly, you may not be able to obtain information about us as you could obtain if we were not a "foreign private issuer".

We may lose our foreign private issuer status in the future, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant additional legal, accounting and other expenses.

We are a foreign private issuer as of the date of this annual report on Form 20-F and, therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. In order to maintain our status as a foreign private issuer, either (a) a majority of our shares must be directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be United States citizens or residents, (ii) more than 50 percent of our assets cannot be located in the United States and (iii) our business must be administered principally outside the United States.

If we were to lose our foreign private issuer status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. For instance, we would be required to change our basis of accounting from IFRS as issued by the IASB to U.S. GAAP, which we expect would be costly for us to comply with and could also result in changes, which could be material, to historical financials previously prepared on the basis of IFRS. The regulatory and compliance costs to us under U.S. securities laws when we would be required to comply with the reporting requirements applicable to a U.S. domestic issuer could be significantly higher than the costs we will incur as a foreign private issuer. As a result, a loss of foreign private issuer status would increase our legal and financial compliance costs and would make some activities highly time-consuming and costly. If we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage.

Risks Related to our Securities

Our authorized capital consists of an unlimited number of shares of one class designated as common shares. We may, in the future, issue additional common shares, which would reduce investors' percent of ownership and may dilute our share value.

Our Articles of Incorporation authorizes the issuance of an unlimited number of our common shares, no par value, of which 102,953,973 shares are currently issued and outstanding as of December 31, 2020. The future issuance of common shares may result in substantial dilution in the percentage of our common shares held by our then existing shareholders. We may value any common shares issued in the future on an arbitrary basis. The issuance of common shares for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors and may have an adverse effect on any trading market of our common shares.

We may need to finance our future cash needs through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements. Any additional funds that we obtain may not be on terms favorable to us or our stockholders and may require us to relinquish valuable rights.

As of our most recent year ended December 31, 2020, we had C$255,668 of available cash. We will need to raise additional funds to pay outstanding vendor invoices, meet operating expenses and execute our business plan, including any expansion plans. Our future cash flows depend on our ability to market and sell our common shares, and our ability to continue to cut expenses to reach net even or positive cashflows from operations. There can be no assurance that we will have sufficient funds to execute our business plan or complete a strategic transaction, or that additional funds will be available when needed from any source or, if available, will be available on terms that are acceptable to us.

We cannot guarantee that we will generate sufficient revenues from our services in the near future to meet these goals. Therefore, for the foreseeable future, we may have to fund a portion of our operations and capital expenditures from cash on hand, public or private equity offerings, debt financings, bank credit facilities, other borrowings (including borrowings from our officers and directors) or corporate collaboration and/or licensing arrangements. We will also need to raise additional funds if we choose to continue to expand our operational development efforts more rapidly than we presently anticipate.

If we seek to sell additional equity or debt securities or enter into a corporate collaboration, joint venture or licensing arrangement, we may not obtain favorable terms for us and/or our stockholders or be able to raise any capital at all, all of which could result in a material adverse effect on our business and results of operations. The sale of additional equity or debt securities, if convertible, could result in significant dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict our operations. Raising additional funds through collaboration, joint ventures or licensing arrangements with third parties may require us to relinquish valuable rights to our technologies, future revenue streams, or to grant licenses on terms that may not be favorable to us or our stockholders. In addition, we could be forced to discontinue certain services or technologies, reduce or forego sales and marketing efforts and forego attractive business opportunities, all of which could have an adverse impact on our business and results of operations.

The sale of our securities could encourage short sales by third parties, which could contribute to the future decline of our stock price.

In many circumstances, the provision of financing based on the distribution of equity for companies that are traded on the CSE and OTC has the potential to cause a significant downward pressure on the price of common shares. This is especially the case if the shares being placed into the market exceed the market's ability to take up the increased share issuance or if we have not performed in such a manner to show that the equity funds raised will be used to grow our business. Such an event could place further downward pressure on the price of our common shares. Regardless of our activities, the opportunity exists for short sellers and others to contribute to the future decline of our share price. If there are significant short sales of our common shares, the price decline that would result from this activity will cause the share price to decline more, which may cause other shareholders of the stock to sell their shares, thereby contributing to sales of common shares in the market. If there are many more of our common shares on the market for sale than the market will absorb, the price of our common shares will likely decline.

The market price and trading volume of our common shares may be volatile.

The market price of our common shares could fluctuate significantly for many reasons, including reasons unrelated to our performance, such as limited liquidity for our stock, reports by industry analysts, investor perceptions or general economic and industry conditions. Fluctuations in operating results or the failure of operating results to meet the expectations of public market analysts and investors may negatively impact the price of our securities. Quarterly operating results may fluctuate in the future due to a variety of factors that could negatively affect revenues or expenses in any particular quarter, including vulnerability of our business to a general economic downturn, changes in the laws that affect our products or operations, competition, compensation related expenses, application of accounting standards and our ability to obtain and maintain all necessary government certifications and/or licenses to conduct our business. In addition, if the market price of a company's shares drops significantly, shareholders could institute securities class action lawsuits against the Company. A lawsuit against us would cause us to incur substantial costs and could divert the time and attention of our management and other resources.

We may not pay dividends in the future. Any return on investment may be limited to the value of our common shares.

We have never paid dividends and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common shares will depend on earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our common shares may be less valuable because a return on your investment will only occur if our stock price appreciates.

Offers or availability for sale of a substantial number of our common shares may cause the price of our common shares to decline.

If our shareholders sell substantial amounts of our common shares in the public market, or upon the expiration of any statutory holding period under applicable Canadian rules or Rule 144, or issued upon the exercise of outstanding options, convertible notes or warrants, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common shares could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Our common shares are currently considered a "penny stock," which may make it more difficult for our investors to sell their shares.

Our stock is categorized as a penny stock. The SEC has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price less than US$5.00 per share or an exercise price of less than US$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker- dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common shares.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described in this annual report, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for many customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Tangiers may purchase our stock at a price less than the then-prevailing market price for our common shares.

Our common shares to be issued to Tangiers pursuant to the convertible notes we issued to them in April, June 2020, September 2020, and March 2021will be purchased (i) at a fixed price as of the date of such investment, if exercised prior to the maturity date of each such note, or (ii) if converted after such maturity date, (a) under the April 2020 note, at 65% of the lowest VWAP of the common shares during the 10 day period prior to such conversion, (b) if under the June and September 2020 notes, at 75% of the average of the two lowest volume weighted average prices in the 15 day period prior to conversion, or (c) if under the March 2021 note, at 83% of the average of the two lowest volume weighted average prices in the 10 day period prior to conversion. If Tangiers purchases such shares at a price which is lower than market price, our shareholders will be diluted and the price of our common shares may be negatively affected.

Tangiers will pay less than the then-prevailing market price for our common stock under our existing equity line of credit facility.

Our common stock to be issued to Tangiers pursuant to the terms of an Investment Agreement, dated December 16, 2020, will be purchased at 85% of the lowest VWAP of the common stock during the 5-day pricing period applicable to the Company's Put Notice (described in under the heading "Investment Agreement" in this annual report), provided, however, an additional 10% will be added to the discount of each company put if (i) the Company is not DWAC eligible and (ii) an additional 15% will be added to the discount of each Company put if the Company is under DTC "chill" status on the applicable put notice date. "VWAP" means, for any date, the price determined by the daily volume weighted average price of the common stock for such date (or the nearest preceding date) on the Company's trading market on which the common stock is then listed or quoted for trading. Tangiers has a financial incentive to sell our common stock immediately upon receiving the shares to realize the profit equal to the difference between the discounted price and the market price. If Tangiers sells the shares, the price of our common stock could decrease. If our stock price decreases, Tangiers may have a further incentive to sell the shares of our common stock that it holds. Such sales could have a further negative impact on our stock price and may result in dilution to you and our existing stockholders.

Item 4. Information on the Company

A. History and development of the Company

We were incorporated under the laws of Alberta in March 1997 and, in June 2006, changed our jurisdiction of incorporation to British Columbia, Canada. The registered office is located at Suite 305, 190 Alexander St, Vancouver, BC V6A 2S5, and our telephone number is 1-587-883-9811. Our address on the Internet is www.parcelpal.com. The information on, or accessible through, our website is not part of this annual report on Form 20-F. We have included our website address in this annual report on Form 20-F solely as an inactive textual reference. The Company has appointed Vcorp Services, LLC, located at 25 Robert Pitt Drive, Suite 204, Monsey, New York 10952, as agent for service of process to receive legal correspondence on our behalf.

On December 16, 2020, the Company entered into a US$5,000,000 equity line of credit facility under the terms of an Investment Agreement with Tangiers Global, LLC, which is available over a maximum term of 36 months. See Item 10C "Material Contracts" for more information.

See also "Subsequent Events" in Note 14 of this annual report for additional information on other capital financing, customer agreement and expansion transactions entered into subsequent to the reporting period of this annual report, including with Sysco@Home, Bayshore Specialty Rx, Oco Meals and other new customer agreements and expansion opportunities, as well as a $1,050,00 face value financing in March 2021, each of which we have previously announced between January 14 and April 8, 2021.

On November 24, 2020, we announced the signing of an agreement to provide delivery services with one of Canada's fastest growing and trusted providers of comprehensive specialty pharmacy services and solutions.

October 6, 2020, we announced the start of primary trading of our common shares on the OTCQB market exchange in the United States.

On September 29, 2020, the Company completed a non-brokered private placement pursuant in which it issued an unsecured convertible note to Tangiers Global, LLC with a face value of up to US$525,000. See Item 10C "Material Contracts" for more information.

On August 20, 2020, we announced that we entered into a partnership with Glenthorne Holdings Inc d/b/a Bear's Blooms ("**Bear's Blooms**"), a large flower subscription service based in Vancouver. Under the terms of the partnership ParcelPal has been to providing deliveries to Bear's Blooms's customers. Recently the number of deliveries with them has dropped significantly. We also announced at that time that we expanded our collaboration with Lineten Technology, Inc.. In particular, we agreed to provide deliveries to customers of a Western Canada based grocer, Sunterra. The Company had been providing some occasional deliveries. We expect that these new partnerships will improve our revenue and operating performance.

On June 29, 2020, the Company completed a non-brokered private placement pursuant in which we issued an unsecured convertible note to Tangiers Global, LLC with a face value of up to US$210,000. See Item 10C "Material Contracts" for more information.

On June 9, 2020, we announced that 1824400 Alberta Limited, a private company controlled by Brian Storseth who is a director of the Company, and the Company have mutually agreed to terminate the Business Advisor Service Agreement dated June 20, 2019. The Company issued 1,200,000 common shares at C$0.13 per share to Mr. Storseth's corporation in settlement of all amounts due and owing under the advisor services agreement. See Section 7B "Related party transaction" for more information.

On June 4, 2020, we announced the expansion of our operations to Toronto, Ontario.

On May 26, 2020, the Company entered into a Transportation Services Agreement with Goodfood Market Inc. ("Goodfood"). Under the terms of the Transportation Services Agreement, ParcelPal will provide same-day delivery courier services for Goodfood's customers, in Vancouver and Calgary. See Item 10C "Material Contracts".

On April 14, 2020, the Company completed a non-brokered private placement pursuant in which we issued an unsecured convertible note to Tangiers Global, LLC with a face value of up to US$367,500 (the "Note"). See Item 10C "Material Contracts" for more information.

On April 6, 2020, Rich Wheeless was also appointed Chief Executive Officer.

On March 12, 2020, we announced that we had entered into a delivery agreement and a new initiative to facilitate ordering and delivery of pharmaceuticals in British Columbia, Alberta and Ontario.

Effective March 1, 2020, Rich Wheeless joined the Company as Chief Financial Officer and director.

On February 14, 2020, we announced that we had entered into an agreement with Lineten Technology, Inc. ("Lineten"). Under the terms of the agreement, ParcelPal will fulfil delivery orders on behalf of Lineten's customers in Vancouver. See Item 10C "Material Contracts".

On October 24, 2019, we announced that we had formed a partnership with the British Columbia Restaurant & Food Services Association ("BCRFA"). This partnership positioned the company to promote and offer ParcelPal services as the preferred delivery partner for BCRFA more than 3000 member restaurants across British Columbia. Due to a shift in the business model we recently have moved away from the partnership.

On September 24, 2017, we entered into a transportation contract with Amazon Canada Fulfillment Services, Inc ("Amazon"), for the delivery of packages on behalf of Amazon in Vancouver British Columbia, Canada. See Item 10C "Material Contracts".

On January 4, 2017, we listed our common shares on the OTC Venture Marketplace with the trading symbol “PTNYF”.

All information we file with the SEC is available through the SEC’s Electronic Data Gathering, Analysis and Retrieval system, which may be accessed through the SEC’s website at www.sec.gov.

B. Business overview

ParcelPal Technology Inc. is a Vancouver, British Columbia based company that specializes in last-mile delivery service and logistics solutions. From our hubs in Vancouver, Calgary, and Toronto we offer delivery and logistics solutions for business to business, business to customer, and any other tailored creative solution our partners may require. With our 200+ team members’ expertise in logistics operations and our in-house technical excellence, we are uniquely positioned to create a solution-driven by you and your customer’s needs. Since 2016, our company has serviced over 7 million deliveries for our partners. We give businesses a smart, reliable, and affordable delivery service powered by our licensed technology platform.

Using “Lean Six-Sigma” methodologies we continuously define, measure, analyze, implement, and control process improvements to provide our partners with cutting edge services and offerings. Our competitive advantage stems from our dedicated team valuing strong partnerships with our customers. Our management, operational, and office teams work directly with our partners to ensure each package entrusted to us is delivered promptly and efficiently.

ParcelPal initially operated in major urban centers in Vancouver, BC area and, subsequently, we have expanded throughout Canada. As a result of our marketing efforts, we have expanded across the entire lower mainland, offering same-day delivery for select clients.

ParcelPal operates from its head office in Vancouver, British Columbia and our operations are currently managed from here. ParcelPal offers employment opportunities that support all functions of technology and physical deliveries. ParcelPal currently has hundreds of employees, including the delivery team.

We typically experience an increase in customers' demand as the calendar year progresses, especially in retail and corporate activity during holiday periods, particularly during our fourth financial quarter in connection with the holiday season (e.g., Christmas, Channukah gift buying). We have, however, in mid-2020 enhanced our B2B business focus to further diversify our customer base and revenue streams going forward, including by engaging with meal kit, health, retail, grocery and pharmacy companies.

Our services

We offer our delivery services in Vancouver, Calgary, Edmonton and Toronto. We are also in the process of launching our services in additional Canadian cities. Before the end of calendar year 2021, we plan to be operating in the United States as well. The majority of our current business is doing same day deliveries and next day deliveries for businesses in the cities in which we operate.

ParcelPal is a customer-driven, courier and logistics company connecting people and businesses through our network of couriers. Some of our verticals include pharmacy & health, meal kit deliveries, retail, groceries and more.

Our strategy

ParcelPal plans to implement additional services for consideration of growing the merchant's business and retaining existing customers. In addition to raising additional capital, we are also planning on signing more small and medium enterprise clients for traditional courier services that are multi-city operational, and which are higher margin services that are also highly scalable. To execute this part of our strategy, we will need to open a dedicated warehouse facility in which we can sort, ship and create more efficient delivery routes. This will also allow us to also be able to benefit from economies of scale as our operating costs will decrease significantly, leading to better operating margins. With the recent capital raise that we have done, along with having an equity line of credit at our disposal, we have the resources and capital to execute on this plan This to both fund our operating expenses and the concomitant warehousing and fleet costs associated with it.

ParcelPal intends to pursue a number of technologies, product and marketing initiatives to continue to drive growth in 2021. The Company's strategic priorities include:

- targeting to be cash flow positive by the end of 2021;
- targeting at least 50% revenue growth for 2021 and significantly improving operating margins by up to 15%;
- Increasing the number of merchants in various verticals for next-day and same-day delivery services for the B2B (business-to-business) markets, enabling easier customer acquisition and business integration;
- hiring sales leaders and execution teams in each of our current markets and potential markets;
- expanding our revenue diversification through large e-commerce contracts, and potential acquisitions;
- continuing to expand into the Amazon ecosystem throughout Canada and the United States;

- integrate a new last-mile delivery platform to maximize revenue potential, streamline services and increase overall margins; and

- deliver more than ten million total packages by the end of 2021.

The Company currently has one revenue stream. , which is through billable contracts such as Amazon.com Inc and other merchants. Amazon accounted for 99% of our revenue in 2019 and 94% of our revenue in 2020, respectively. Amazon is projected to account for 88% of our revenue in 2021. We are among the top-rated and fastest-growing providers for Amazon in British Columbia, and we have achieved “gold status” as an Amazon fulfilment provider.

Our strategic vision

Since our CEO, Rich Wheeless, joined the Company in March 2020, we commenced a shift in focus of our operations away from a substantial reliance on food deliveries and other areas that are less likely to be profitable, to pharmacy& health and meal kit deliveries, which we believe will continue to carry better operating margins in the near and longer term. We have also decided to distance our operations from a traditional focus of signing non-partner marketplace customers as a result of the lower profitability of such approach.

One of our priorities is to increase our footprint with Amazon and with other small and medium enterprise customers that have operations in major cities, in particular with respect to last mile delivery services, which is our specialty. Other more profitable areas such as home-meal kit and large retail chain store deliveries are those which we will increasingly target. We have also moved into same and next day prescription drug deliveries for nursing homes and expanding into the general population. We believe that these are the types of business services that are highly scalable and will strongly contribute to our profitability.

In addition, our future plans include focusing on a “get-anything” model if feasible, because customers appreciate that a great variety of products can be ordered and delivered potentially within an hour for a nominal fee. We are continuing to roll this model out.

Alcohol delivery regulations

From time to time, through various contractual arrangements with certain of our customers in the Canadian provinces of British Columbia and Alberta, we may be asked to deliver alcohol products. In this regard, each province sets forth rules relating to the delivery of alcohol, including during the COVID-19 pandemic, which can be summarized as follows:

Alberta

As a result of the COVID-19 pandemic, the Alberta Gaming, Liquor and Cannabis Agency, which is responsible for the approval and implementation of alcohol regulations in Alberta, has deemed selected liquor-related businesses to be “essential services”, thus allowing them to remain open to the public provided they have the proper risk mitigation measures in place. These businesses include restaurants and other food preparation facilities, including liquor retail outlets, manufacturers and producers, as well as warehousers, and distributors. A number of restrictions apply to the regulations, as amended as a result of the COVID-19 pandemic, including that (i) liquor cannot be delivered by drive-thru, (ii) mixed drinks cannot be provided (liquor must be delivered in a sealed, commercial container as supplied by the liquor supplier or agency), and (iii) for draught beer, the cap design for the container must demonstrate the container has not been opened during transportation. We fully comply with the applicable rules and regulations relating to the delivery of alcoholic beverages in Alberta.

British Columbia

The British Columbia (BC) Government, through its Liquor Control and Licensing Branch, via a series of policy directives (including Policy Direction No. 19 – 03), which govern the delivery of liquor, either by retail stores or by manufactures, both by traditional brick and mortar store locations and from retail customers online, allow for delivery of liquor to customers. Following the COVID-19 pandemic, the BC Government has also deemed certain liquor-related businesses in BC to be "essential services", thus allowing them to remain open. In particular, as to liquor deliveries, food primary and liquor primary licensees are allowed to sell and deliver packaged liquor for off-site consumption to patrons with the purchase of a meal. The following related policies also apply to, among others, (i) restaurants are allowed to use unemployed servers to deliver liquor products, and (ii) delivery services are allowed to purchase liquor on behalf of a customer from a liquor store or from any licensee authorized to sell in unopened containers, and deliver and sell that liquor to a customer, provided the delivery does not take place between 11:30 p.m. and 7:00 a.m., and are not sold or delivered to a minor. Under directive 19-03, the licensee (liquor business) is accountable for any contravention that takes place while liquor is delivered from their store. We fully comply with the applicable rules and regulations relating to the delivery of alcoholic beverages in BC.

C. Organizational structure

We are not part of a group and we currently do not own nor control any subsidiary.

D. Property, plant and equipment

We lease a 721 square foot premise at 190 Alexander Street, Suite 305, Vancouver, BC V6A 2S5 as our headquarters. The current lease expired at end of January 2021 and we are in a month to month agreement. We had also previously leased an 800 square foot premise at 9 Avenue Southeast, Suite 534, Calgary, AB T2G 0S1, expired at the end of December 2020 which we did not renew. With respect to our vehicles fleet, as of the date of this annual report, we lease 21 vehicles that we use to complete most of our deliveries. The Company has also recently purchased some vehicles to help with the demand.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion and analysis should be read in conjunction with Item 18. "Financial Statements" included below. Operating results are not necessarily indicative of results that may occur in future periods. This discussion and analysis contains forward- looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in the forward-looking statements as a result of many factors including, but not limited to, those set forth under "Forward-Looking Statements" and "Risk Factors" in Item 3 "Key Information" included above in this annual report on Form 20-F. All forward-looking statements included in this document are based on the information available to the Company on the date of this document and the Company assumes no obligation to update any forward-looking statements contained in this annual report.

Critical accounting policies

We prepare our financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As such, we are required to make certain estimates, judgments, and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The critical accounting policies are summarized in Item 18. "Financial Statements—Note 2—Critical Accounting Policies".

A. Operating results

The following discussion relates to our results of operations, financial condition and capital resources. You should read this discussion in conjunction with our financial statements and the notes thereto contained elsewhere in this report.

Audited Financial Years

	For the year ended December 31,		
	2020	2019	2018
	C$	C$	C$
Revenue	6,317,329	4,782,865	3,369,630
Total revenue and other income	6,317,329	4,790,627	3,375,520

Year 2020 compared to year 2019

Revenue

Our revenue increased from C$4,782,865 in 2019, to C$6,317,329 in 2020, primarily due to an increase in deliveries with Amazon as well as the addition of new customer agreements.

Cost of Revenue

Our cost of revenue increased from C$4,336,556 in 2019 to C$5,947,895 in 2020. This was due to an increase in staff and acquisition/leasing of additional fleet vehicles for more Amazon routes as well as higher vehicle fuel costs.

Personnel costs increased from C$3,352,985 in 2019 to C$4,983,299 in 2020. This was due to an increase in staff for Amazon routes as well as expansion into new areas.

Vehicle fuel costs decreased from C$422,726 in 2019 to C$396,343 in 2020. This was due to decreased fuel cost for vehicles.

Amortization expense increased from C$349,668 in 2019, to C$388,859 in 2020 due to the Company entering into lease agreements to increase the delivery fleet to meet the delivery demand for Amazon.

Gross Profit

Gross profit as a percentage of revenue decreased from C$446,309 (9.3%) in 2019 to C$369,434 (5.8%) in 2020. This was due to an increase in staffing costs for an increase in Amazon routes.

Expenses

Marketing and promotion decreased from C$1,586,284 in 2019, to C$29,146 in 2020, due to decreased promotional activities in 2020.

Management and director fees increased from C$190,800 in 2019, to C$305,158 in 2020, due to increased fees to officers of the Company in 2020.

Share-based compensation decreased from C$776,962 in 2019, to C$473,103 in 2020, due to fewer stock options being granted.

Consulting fees decreased from C$860,248 in 2019, to C$656,405 in 2020, due to fewer consultants to the business.

Foreign exchange costs improved from a loss of C$12,243 in 2019, to a gain of C$61,236 in 2020, due to decrease in the exchange rate of the U.S. dollar against the Canadian dollar.

Interest expense increased from C$29,958 in 2019, to C$323,931 in 2020, due to an increase in interest due to the convertible note issuances throughout the year.

Professional fees increased from C$124,550 in 2019, to C$655,378 in 2020, due to increase in accounting and legal fees as a result of more services required by the Company due to an increase in the business activity, financing transactions and expansion onto United States markets and exchanges.

Regulatory and filing fees increased from C$48,924 in 2019, to C$78,945 in 2020, due to an increase in charges associated with the issuance of shares.

Travel and accommodation expenses decreased from C$62,459 in 2019, to C$31,692 in 2020, due to a significant decrease in travel as a result of COVID-19.

Salaries increased from C$358,074 in 2019, to C$533,193 in 2020, primarily related to expansion into additional cities.

Office and miscellaneous expenses increased from C$994,124 in 2019, to C$1,155,805 in 2020, due to increased company activity and expansion into additional cities.

In 2019 the Company recorded a loss on debt settlement of C$857 compared to a C$191,773 loss on debt settlement in 2020.

In 2019 the Company did not record a derivative liability compared to a C$866,238 derivative liability in 2020 due to the convertible note issuances throughout the year.

Net loss

The Company had a net loss of C$4,610,512 in 2019 compared to C$4,874,082 in 2020, primarily due to the factors described below, including numerous one-time expenses.

The Company had its largest gross revenue quarter since inception with over $2.3M in the fourth quarter of 2020 (compared to Q4 2019 of $1.9M). Consulting fees in the fourth quarter of 2020 decreased to $210,033 (compared to Q4 2019 of $292,450) as the Company reduced the number of external consultants to conserve cash. Administrative, office and miscellaneous expenses decreased in the fourth quarter 2020 to $213,536 (from 2019 Q4 of $262,927) due to cost saving measures undertaken by management to streamline the business. During the three-months ended December 31, 2020 the Company had an operating profit of $74,939 after factoring in non-recurring professional fees related to the Company's SEC listing, compared to an operating loss of $651,640 during the three months ended December 31, 2019.

It is important to note, however, that in FY 2020, approximately $2.3M of primarily non-cash expenses, including amortization, share issuances (including those related to debt settlements), derivative liabilities and approximately $500K in non-recurring (in some cases cash) expenses related to the Company's primary exchange listing in the United States on the OTCQB, our becoming a United States SEC compliant filer under the Exchange Act of 1934, as amended, the establishment of a $5M equity line of credit facility and the preparation and filing of a Registration Statement on Form F-1 in connection therewith, debt facility financings and the termination and costs (cash and stock) related to numerous previously existing contractual arrangements.

We believe these undertakings have better positioned the Company for lower operating expenses moving forward (as demonstrated, in part, by our cash operating performance in the final three months of 2020), and which provide the Company with significant additional capital to better position the Company moving forward in terms of both cashflow, and for possible acquisitions, mergers, securitization of our own warehousing facility and/or other strategic transactions as they may arise, and which the Company may actively seek.

Year 2019 compared to year 2018

Revenue

Our revenue increased from C$3,369,630 in 2018, to C$4,782,865 in 2019, primarily due to an increase in deliveries with Amazon.

Cost of Revenue

Our cost of revenue increased from C$2,883,176 in 2018 to C$4,336,556 in 2019. This was due to an increase in staff for more Amazon routes as well as higher fuel costs for vehicles.

Personnel costs increased from C$2,187,768 in 2018 to C$3,352,985 in 2019. This was due to an increase in staff for Amazon routes.

Fuel costs increased from C$350,357 in 2018 to C$422,726 in 2019. This was due to increased fuel costs for vehicles due to more Amazon routes.

Amortization expense increased from C$315,581 in 2018, to C$349,668 in 2019 due to the Company entering into lease agreements to increase the delivery fleet to meet the delivery demand for Amazon.

Gross Profit

Gross profit as a percentage of revenue decreased from C$486,454 (14.4%) in 2018 to C$446,309 (9.3%) in 2019. This was due to an increase in staffing costs for an increase in Amazon routes.

Expenses

Marketing and promotion increased from C$470,394 in 2018, to C$1,586,284 in 2019, due to increased promotional activities in 2019 as the Company expanded into new markets.

Management and director fees increased from C$108,000 in 2018, to C$190,800 in 2019, due to increased fees to officers of the Company in 2019.

Share-based compensation decreased from C$1,548,784 in 2018, to C$776,962 in 2019, due to fewer stock options being granted.

Consulting fees increased from C$815,060 in 2018, to C$860,248 in 2019, due to additional billing from insiders and outside consultants as a result of more time required to expand business.

Foreign exchange costs increased from C$1,029 in 2018, to C$12,243 in 2019, due to increase in the U.S. dollar against the Canadian dollar.

Interest expense decreased from C$49,669 in 2018, to C$29,958 in 2019, due to an interest reduction as a result of lease adjustment resulting from the application of IFRS 16.

Professional fees increased from C$119,713 in 2018, to C$124,550 in 2019, due to increase in accounting and legal fees as a result of more services required by the Company due to an increase in the business activity.

Regulatory and filing fees increased from C$27,654 in 2018, to C$48,924 in 2019, due to an increase in charges associated with the issuance of shares.

Travel and accommodation expenses decreased from C$97,328 in 2018, to C$62,459 in 2019, due to a significant decrease in travel as a result of COVID-19.

Salaries increased from no salaries in 2018, to C$358,074 in 2019, related to expansion into Alberta, Saskatoon and Toronto.

Office and miscellaneous expenses increased from C$551,213 in 2018, to C$994,124 in 2019, due to increased company activity and expansion into Alberta province, Saskatoon and Toronto.

In 2018 the Company recorded an impairment of marketable securities of C$300,000 compared to none in 2019.

Net loss

The Company had a net loss of C$4,610,512 in 2019 compared to C$3,664,376 in 2018, primarily due to an increase in marketing and promotional expenses as a result of increased promotional activities.

Liquidity and capital resources

Since our inception, our operations have, in significant measure, been financed through the issuance of equity securities. Additional funding has come through convertible debt issuances . We believe that our current working capital (together with access to our available equity line of credit) is sufficient for our present business requirements; however, if we undertake a significant expansion, acquisition or joint venture in Canada, the United States or elsewhere, we will likely need to raise additional capital through one or more sources to fund such transaction(s). While we generate cash flow, it is currently not sufficient to maintain operations. As a result, we believe we will need to raise additional capital, and also have the ability to draw upon the equity line of credit with Tangiers Global, LLC under the terms of the Investment Agreement we entered with them, for our aforementioned expansion plans through the end of 2021. Such financings may come in the form of equity, debt or through a combination of debt and/or equity financing structures.

We have incurred significant losses since our inception. We incurred losses of C$4,874,082, C$4,610,512 and C$3,664,376 in 2020, 2019 and 2018, respectively. As at December 31, 2020, the Company had a working capital deficit of C$2,379,864 compared to net working capital of C$229,552 as at December 31, 2019.

The Company manages its capital. In doing so, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of a social collaborative charting, news and communication platform for traders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year ended December 31, 2020.

Equity issues

For more information, see Item 10A "Share Capital".

Convertible notes

On April 14, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible note to Tangiers Global, LLC ("Tangiers") with a face value of US$367,500 (the April 2020 Note). Under the terms of the Note, US$250,000 was advanced to the Company on closing, and a second tranche of US$100,000 was funded to us in May 2020. In connection with this convertible note, the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares.. The "Maturity Date" of this note, as amended, was 6 months from the funding of any tranche. The April 2020 Note carried a one-time guaranteed interest rate of 10% on the principal sum of each funded tranche. The principal amount was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.06 per share or (b) 65% of the lowest volume weighted average price of the Company's common shares during the 10 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The April 2020 Note has been fully converted and is retired from the books of the Company, and any reserve shares applicable to it have been placed back into treasury.

On June 29, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible single tranche note to Tangiers with a face value of US$210,000 (the “June Note”). Under the terms of the June Note, US$200,000 was advanced to the Company at closing, and the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares. The June Note carried a one-time guaranteed interest rate of 5% on the principal sum, and, as amended, had a maturity date of six months from the effective date of the transaction (or February 14, 2021). The principal sum was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.08 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder had the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.08 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company’s common shares during the 15 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The June Note has been fully converted and is retired from the books of the Company, and any reserve shares applicable to it have been placed back into treasury.

On September 29, 2020, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible three tranche note to Tangiers with a face value of US$525,000 (the “September Note”). Under the terms of the September Note, US$150,000 was advanced to the Company at closing, and the Company issued 150,000 unregistered common shares to Tangiers as investment incentive shares. On October 15, an additional US$75,000 was funded by Tangiers to the Company, and the Company issued 75,000 unregistered common shares to Tangiers as investment incentive shares. On December 15, an additional US$100,000 was funded by Tangiers to the Company, and the Company issued 100,000 unregistered common shares to Tangiers as investment incentive shares. On January 12, 2021, an additional US$175,000 was funded by Tangiers to the Company, and the Company issued 175,000 unregistered common shares to Tangiers as investment incentive shares. The September Note carries a one-time guaranteed interest rate of 5% on the principal sum of the funded tranches, and has a maturity date of six months from the effective date of the initial tranche of (or March 29, 2021), and six months from the funding date of each subsequent tranche. The principal amount shall be convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.06 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company’s common shares during the 15 consecutive trading days prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. A portion of the September Note has been converted and carries a remaining principal balance of approximately US$288,500 as of the date of this annual report.

See also Subsequent Events in Note 14 for a description of the March 2021 convertible note financing, consummated on March 12, 2021.

Cash flows

Audited Financial Years

The following table set forth the sources and uses of cash for the past three years:

(in C$)	**2020**	**2019**	**2018**
Net cash used in operating activities	(927,129)	(2,690,049)	(1,098,318)
Net cash from/(used in) investing activities	(112,034)	68,374	(404,125)
Net cash from/(used in) financing activities	999,238	837,282	3,527,542

Comparison of cash flows for the Year ended December 31, 2020, with the Year ended December 31, 2019

Operating activities.

Net cash flow in operating activities decreased from a negative C$2,690,049 in 2019 to a negative C$927,129 in 2020, primarily as a result of a decrease in marketing and promotion expenses as well as an decrease in shares issued in lieu of consulting fees.

Investing activities.

Net cash flow in investing activities changed from a positive C$68,374 in 2019 to a negative C$112,034 in 2020, primarily as a result of the purchase of fleet vehicles for company expansion.

Financing activities.

Net cash flow in financing activities increased from C$837,282 in 2019 to C$999,238 in 2020, primarily as a result of the issuance of convertible notes in 2020.

Comparison of cash flows for the Year ended December 31, 2019, with the Year ended December 31, 2018

Operating activities.

Net cash flow in operating activities increased from a negative C$1,098,318 in 2018 to a negative C$2,690,049 in 2019, primarily as a result of an increase in marketing and promotion expenses as well as an increase in shares issued in lieu of consulting fees.

Investing activities.

Net cash flow in investing activities increased from a negative C$404,125 in 2018 to a positive C$68,374 in 2019, primarily as a result of the repayment of approximately the entire outstanding balance under a loan agreement that we had entered into with a company related to one of our directors.

Financing activities.

Net cash flow in financing activities decreased from C$3,527,542 in 2018 to C$837,282 in 2019, primarily as a result of a decrease in the amounts received from the conversion of warrants and a decrease in the amounts of proceeds received from private placements of our equity securities.

C. Research and development

The Company had been focusing on the development of back-end tooling, operational tooling, and sales tooling. However, with the shift in Company strategy from a B2C to a B2B focus, we determined to end the back end tooling development in the fourth quarter of 2020, and instead in-licensed a technology platform for last-mile delivery and cross docking going forward.

D. Trend Information

On January 30, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. Despite the rollout of vaccines and therapeutics in late 2020 and into 2021, the COVID-19 pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital.

The Company has been focused on increasing its sales and operations with Amazon, but as disclosed elsewhere, we have also been focused on customer diversification, expansion into profitable industries and exploring options related to continue our expansion and growth geographically and operationally. Our CEO has been focusing on small and medium enterprise clients, and in mid-2020 enhanced our B2B business focus to further expand and diversify our customer base and revenue streams going forward, including by engaging with meal kit, health, grocery and pharmacy companies, which are also less seasonal.

Overall company costs have been stable. Increases in fuel prices will have a negative impact on our gross margins. In 2020, we began implementing initiatives to right-size the business by focusing on becoming more cost-efficient, and believe we have achieved that objective based on our current position at this time. This does not preclude the possibility that we may need to expand staff or management if and as needs arise from expansion or other changes in our business, or in other ways as the broader market may require going forward.

E. Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

F. Tabular disclosure of contractual obligations

As of December 31, 2020, our contractual obligations were as set forth below:

	Payments Due by Period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Contractual Obligations					
Debt obligations	766,070	766,070	—	—	—
Lease obligations	212,903	92,736	94,727	25,440	—
Total	978,973	858,806	94,727	25,440	—

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The names and details of the Company's Directors and senior management at the date of this report are as follows:

Rich Wheeless	Chief Executive Officer, Chief Financial Officer, Director
Brian Storseth	Director, Chairman of the Board of Directors
Robert Faissal	Director
Alex Nuttall	Director

Rich Wheeless. Mr. Wheeless has been our Chief Financial Officer since March 2020 and our Chief Executive Officer since April 2020. He has been an active investor, adviser and/or board member for numerous privately held companies. Most recently, he was the CFO of the publicly traded company, Taal Distributed Information Technologies Inc. (OTCQX: TAALF). Prior to that, he was the Chief Financial Officer for the security software company Rivetz Inc. Previous to that, he was the CFO of LaunchKey Inc. and Pilus Energy, respectively, which were both acquired by publicly traded companies. Mr. Wheeless has over 15 years of financial leadership and corporate management experience working across various industry sectors, and in both public and private enterprise.

Mr. Wheeless has also held managerial posts at Johnson and Johnson, as well as Cardinal Health. He originally started his career in the private equity division at Citigroup.

Mr. Wheeless holds a Master of Business Administration with honors from Otterbein University and a Bachelor of Science in Finance from Miami University.

Brian Storseth. Mr. Storseth has been a Member of Parliament for Westlock-St. Paul from 2006 to 2015. Mr. Storseth is currently the Chairman of the Board of Directors of Reliq Health Technologies, and the Managing Partner of the Maverick Capital Fund. Mr. Storseth studied political science at the University of Alberta while simultaneously working in the Office of the Speaker of the Legislative Assembly of Alberta.

Robert Faissal. Mr. Faissal is the Managing Partner of Lebita Consulting Services Ltd, a Toronto based business development and investment group with emphasis on commercial relationships in North America, the Middle East and Africa. Lebita Consulting focuses on finance, healthcare, real estate and environmental projects. Mr. Faissal was the Managing Partner of Richmond Development, an Abu Dhabi based multi-disciplinary global investment group. From 1997 until 2000, Mr. Faissal served as the Managing Director/Middle East & Africa for the Philadelphia based Wharton Econometrics Forecasting Associates (WEFA Group) advising various governments and private sector clients on economics, financial and investment matters in the Middle East and Africa. Mr. Faissal serves on the Advisory Board of Dario Health (a NASDAQ company), Vice Chairman of Frankfurt based Pearl Gold and a Director & CFO at Cherry Street Capital (TSXV: CHSC.P). Mr. Faissal holds a Master of Arts degree in Economics & International Finance from McMaster University in Canada and an undergraduate Honors Degree in Economics from the University of Western Ontario.

Alex Nuttall. Mr. Nuttall has been a Member of Parliament for Barrie- Springwater-Oro-Medonte from October 2015. Subsequently, Mr. Nuttall has been the Official Opposition Shadow Minister for Youth, Sports and Persons with Disabilities from August 30, 2017, and the Shadow Minister for Internal Trade from January 2019 to March 2019.

Before entering politics, Mr. Nuttall spent eight years in the financial services industry which included working for two of Canada's top five banks, with experience financing mid-tier hotels.

B. Compensation

The Company has adopted an incentive stock option plan, which enables the Board of Directors of the Company from time to time, at its discretion, and in accordance with the CSE requirements to, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Each stock option permits the holder to purchase one share at the stated exercise price. The options vest at the discretion of the Board of Directors.

Consulting Agreement with Rich Wheeless

On March 27, 2020, Rich Wheeless, entered into a consulting agreement (the "Consulting Agreement") with the Company and was appointed Chief Financial Officer, with retroactive effectiveness as of March 1, 2020. On April 6, 2020, Rich Wheeless was appointed Chief Executive Officer.

Under the terms of the Consulting Agreement, effective for a period of 36 months, Rich Wheeless will perform the role and duties required by his position within the Company. Regarding the compensation package, Rich Wheeless will be paid in cash (i) US$6,000 per month through December 31, 2020; (ii) US$10,000 per month from January 1, 2021, to December 31, 2021, increased to US$12,000 per month if the annual gross revenues of the Company reach the target for that year; (iii) US12,000 per month January 1, 2022, to December 31, 2022, increased to US$15,000 if the annual gross revenues of the Company reach the target for that year; and (iv) US$15,000 per month from January 1, 2023, to March 1, 2023, increased to US$17,000, if the annual gross revenues of the Company reach the target for that year. Cash bonuses will be payable each year, contingent on the satisfaction of revenue milestone requirements. At the beginning of 2021 the monthly consulting fee for the year was increased and Rich Wheeless will be paid in cash US$16,666.67 per month through December 31, 2021.

In addition, Rich Wheeless was granted 2,000,000 unvested restricted common shares on March 27, 2020. On May 15, 2020, 1,000,000 common shares vested. On July 15, 2020, 500,000 common shares vested. The remaining 500,000 restricted common shares vested on October 15, 2020.

The Company's board may terminate this Consulting Agreement without cause at any time upon providing the CEO thirty days' notice, or payment in lieu of such notice. Our CEO may terminate this Consulting Agreement at any time upon giving forty-five days' notice in writing to the Company.

Options

On May 6, 2020 the Company granted an aggregate of 2,875,000 stock options to directors and officers of the Company. The May 2020 options have an exercise price of $0.09 per option and expire on May 6, 2025. On November 12, 2020 the Company granted an aggregate of 2,100,000 stock options to directors and officers of the Company. The November 2020 options have an exercise price of $0.075 per option and expire on November 12, 2025. Each option, if exercised, is convertible to one common share upon exercise. For more information see Section 6E “Share Ownership”.

C. Board Practices

The role of the Board is as follows:

- representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company. This includes overviewing the financial and human resources the Company has in place to meet its objectives and the review of management performance;
- protecting and optimizing company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company’s Articles and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- responsible for the overall corporate governance of the Company and its subsidiaries, including monitoring the strategic direction of the Company and those entities, formulating goals for management and monitoring the achievement of those goals;
- setting, reviewing and ensuring compliance with the Company’s values (including the establishment and observance of high ethical standards); and
- ensuring shareholders are kept informed of the Company’s performance and major developments affecting its state of affairs.

Responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the CEO;
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning;
- overseeing the Company, including its control and accountability systems;
- input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company’s businesses and the implementation of appropriate systems to manage these risks;
- overseeing and monitoring compliance with the corporate governance policies;

- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors.

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO;

- appointment of directors to fill a vacancy or as additional directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

Structure of the Board

The Company's Articles govern the regulation of meetings and proceedings of the Board. The Board determines its size and composition, subject to the terms of the Articles.

The appointment and expiration dates of each director in office at the date of this report is as follows:

Name	Position	Year First Appointed	Current term expires
Alex Nuttall	Director	2019	2021
Robert Faissal	Director	2019	2021
Brian Storseth	Board Chairman	2019	2021
Rich Wheeless	CEO, CFO, Director	2020	2021

Further details on each director can be found in "Names, titles, experience and expertise" above.

Term of Directors

At every annual general meeting all directors cease to hold office immediately before the election or appointment of new directors, but are eligible for re-election or re-appointment. The current members of our board of directors were elected (other than Rich Wheeless) at the annual general shareholder meeting held on October 15, 2019, and will hold their director position until the earlier of the next annual general shareholder meeting or appointment of new directors. Rich Wheeless was appointed to the board of directors concurrently with his appointment as an executive officer of the Company on March 20, 2020, and will hold such board position until the earlier of the next annual general shareholder meeting or the appointment of a new director for his board seat.

Board of Directors

The Board of the Company is elected by and accountable to shareholders. The Board monitors and directs the business and is responsible for the corporate governance of the Company. As at December 31, 2020, the Board comprised of four directors, three of whom were non-executive directors.

D. Employees

As of the end of each of the last three years, the Company employed the following number of people - FTEs:

	2020	2019	2018
Category of Activity			
Research and Development	1	1	1
Finance and Administration	10	10	10
Couriers	105	92	70
Total	116	103	81

	2019	2018	2017
Geographic Location			
Canada	116	103	81
Total	116	103	81

E. Share Ownership

Directors' interests in the shares of the Company as of December 31, 2020:

Share ownership

The number of common shares in the Company held as of December 31, 2020, by each Director, including their personally related parties, is set out below:

	Number	Percentage
Common shares		
Rich Wheeless	2,000,000	1.94%
Brian Storseth	1,200,000	1.17%
Robert Faissal	—	—
Alex Nuttall	—	—
Total	3,200,000	3.11%

Rich Wheeless was granted 2,000,000 restricted common shares on March 27, 2020. On May 15, 2020, 1,000,000 common shares vested. On July 15, 2020, 500,000 common shares vested. The remaining 500,000 restricted common shares vested on October 15, 2020.

On June 9, 2020, the Company agreed to issue 1,200,000 common shares to 1824400 Alberta Limited, a private company controlled by Brian Storseth, our Chairman of the Board of Directors, to settle all the amounts due under the Business Advisor Service Agreement which had been entered into on June 20, 2019. See Section 7B "Related party transaction" for more information.

Options

On May 6, 2020 the Company granted an aggregate of 2,875,000 stock options to directors and officers of the Company. The options have an exercise price of C$0.09 per option and expire on May 6, 2025. Each option is convertible to one common share upon exercise.

On November 12, 2020 the Company granted an aggregate of 2,100,000 stock options to directors and officers of the Company. The options have an exercise price of $0.075 per option and expire on November 12, 2025. Each option is convertible to one common share upon exercise.

	No of options	Grant date	Expiry date	Exercise price
Rich Wheeless	**1,000,000**	**May 6, 2020**	**May 6, 2025**	**$ 0.09**
Brian Storseth	**500,000**	**May 6, 2020**	**May 6, 2025**	**$ 0.09**
Robert Faissal	**400,000**	**May 6, 2020**	**May 6, 2025**	**$ 0.09**
Alex Nuttall	**300,000**	**May 6, 2020**	**May 6, 2025**	**$ 0.09**

	No of options	Grant date	Expiry date	Exercise price
Rich Wheeless	1,000,000	November 12, 2020	November 12, 2025	$ 0.075
Brian Storseth	500,000	November 12, 2020	November 12, 2025	$ 0.075
Robert Faissal	300,000	November 12, 2020	November 12, 2025	$ 0.075
Alex Nuttall	300,000	November 12, 2020	November 12, 2025	$ 0.075

Item 7. Major Shareholders and Related Party Transactions

A. Major shareholders

As of December 31, 2020, no shareholder of ParcelPal owns at least 5% of our voting securities.

B. Related party transactions

On June 20, 2019, we entered into a Business Advisor Service Agreement with 1824400 Alberta Limited, a private company controlled by Brian Storseth, our Chairman of the Board of Directors, to provide business advisory services with respect to the expansion of our business activities. On June 5, 2020, the parties mutually agreed to terminate the Business Advisor Service Agreement. The Company has agreed to issue 1,200,000 common shares to 1824400 Alberta Limited to settle all the amounts due under such agreement. This contract was terminated on June 5, 2020, and the shares were issued in full at C$0.15 per share. Under the terms of the Business Advisor Service Agreement, 1824400 Alberta Limited had agreed to provide consulting services to the Company, in particular regarding the expansion of the Company's operations in Canada, introducing the Company to potential business partners, and assisting the Company in business negotiations.

On October 31, 2018, the Company entered into an unsecured 8% annualized loan agreement (the "October 2018 Loan"), whereby the Company advanced C$250,000 to the borrower. We believe our former CEO held a minority interest in the borrower at the time of the loan. During the year ended December 31, 2018, the Company received the principal balance in full, and C$3,342 of accrued interest related to this loan was impaired.

On July 29, 2018, the Company entered into a 10% annualized unsecured loan agreement (the "July 2018 Loan") with a third-party vendor, whereby the Company advanced C$60,000 to the vendor. We believe our former CEO owned a small minority interest in the vendor at the time of the loan. On March 20, 2019, the Company advanced an additional C$21,000 to this same vendor. During the year ended December 31, 2019, C$89,374 of the loan was repaid (with interest), and as at September 30, 2020, C$5,266 of accrued interest remains outstanding, which we are working to collect.

The July 2018 Loan and the October 2018 Loan were made to the respective borrowers at a time when the Company was exploring the possibility of entering in the cannabis industry in Canada. The Company had ultimately determined not to enter in the cannabis space, and has no relationship to these borrowers, other than the remaining accrued interests under the July 2018 Loan. Our former CEO is no longer with the Company, so there remains no related party relationship since his departure from the Company in April 2020.

C. Interests of Experts and Counsel

Not applicable

Item 8. Financial Information

A. Statements and Other Financial Information

Financial statements are included in Item 18. "Financial Statements" commencing on page F-1.

Legal proceedings

No current legal or arbitration proceeding that can have significant impact on our financial position or profitability is pending or is reasonably expected to be pending.

Dividends

There were no dividends paid, recommended, or declared during years 2020, 2019 or 2018.

B. Significant Changes

No significant change has occurred since the date of the annual financial statements included in this annual report on Form 20-F.

Item 9. The Offer and Listing

A. Offer and listing details

On April 15, 2013, we listed our common shares on the Canadian Securities Exchange ("CSE") with the trading symbol "PKG". On December 5, 2016, we listed our common shares on the Frankfurt Stock Exchange ("FSE") with the trading symbol "PT0". On January 4, 2017, we opened a secondary market quotation of our common shares on the OTC Venture Marketplace with the trading symbol "PTNYF", but which we up-listed for primary trading capability to the OTCQB on October 6, 2020.

B. Plan of Distribution

Not applicable

C. Markets

Our common shares are listed on the Canadian Securities Exchange (“CSE”) with the trading symbol “PKG”, on the Frankfurt Stock Exchange (“FSE”) with the trading symbol “PT0”, and on the OTCQB market with the trading symbol “PTNYF”
.

D. Selling Shareholders

Not applicable

E. Dilution

Not applicable

F. Expenses of the issue

Not applicable

Item 10. Additional Information

A. Share Capital

As of December 31, 2020, we had 102,953,973 common shares issued and outstanding.
During the year ended December 31, 2020:

a) On December 23, 2020, the Company issued 1,846,564 common shares to settle $110,794 USD of convertible debt.

b) On December 21, 2020 the Company issued 100,000 common shares as consideration for a convertible note issued by the Company.

c) On December 17, 2020, the Company issued 1,666,667 common shares to settle $100,000 USD of convertible debt.

d) On December 14, 2020, the Company issued 833,333 common shares to settle $50,000 USD of convertible debt.

e) On November 12, 2020 the Company granted 1,000,000 options to consultants of the Company. The options have an exercise price of $0.09 per option and expire within 5 years from the grant date.

f) On November 12, 2020 the Company granted 2,100,000 options to directors and officers and consultants of the Company. The options have an exercise price of $0.075 and expire within 5 years from the grant date.

g) On November 6, 2020, the Company issued 262,500 common shares in lieu of cash consulting fees.

h) On October 16, 2020, the Company issued 75,000 common shares pursuant to the issuances of an additional convertible note.

i) On September 29, 2020, the Company issued 150,000 common shares pursuant to the issuance of an additional convertible note.

j) On September 15, 2020, the Company issued 500,000 common for management fees.

k) On August 27, 2020, the Company issued 583,333 common shares to settle $35,000 USD of convertible debt.

l) On July 22, 2020, the Company granted 500,000 options to consultants of the Company. The options have an exercise price of C$0.09 per option and expire within 5 years from the grant date.

m) On July 15, 2020, the Company issued 500,000 common shares for management fees.

n) On July 3, 2020, the Company issued 1,000,000 common shares for management fees.

o) On June 30, 2020, the Company issued 300,000 shares in relation to the non-brokered private placement dated June 29, 2020.

p) On June 24, 2020, the Company issued 600,000 shares to settle a contract with a consultant.

q) On June 11, 2020, the Company issued 1,200,000 shares to 1824400 Alberta Limited to settle all amounts under the Business Advisor Service Agreement.

r) On June 9, 2020, the Company issued 270,000 shares to a consultant to settle C$27,000 of debt.

s) On May 29, 2020 the Company issued 600,000 shares in relation to the non-brokered private placement dated April 14, 2020.

t) On May 6, 2020, the Company granted 2,875,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of C$0.09 per option and expire on May 6, 2025.

u) During the three months ended on March 31, 2020, the Company received C$58,650 of subscription receivable.

v) On March 23, 2020, the Company issued 205,556 common shares in lieu of fees to a consultant of the Company. The shares were fair valued at C$18,500.

wj) On February 21, 2020, 1,000,000 stock options were exercised for proceeds of C$90,000, which were recorded as subscriptions received in advance at December 31, 2019.

x) On February 11, 2020, the Company issued 416,667 commons shares to settle debt of C$50,000.

y) On January 30, 2020, the Company granted 250,000 to an employee of the Company, the options have an exercise price of C$0.14 and expire on January 30, 2023. The options vest on January 30, 2021.

z) On January 14, 2020, the Company issued 600,000 common shares in lieu of fees for consulting services. The shares were fair valued at C$72,000.

aa) On January 9, 2020, the Company granted 362,222 stock options to a consultant of the Company. The options have an exercise price of C$0.14 and expire on January 9, 2021.

During the year ended December 31, 2019:

a) On November 22, 2019, the Company closed a non-brokered private placement financing consisting of 4,071,353 units at a price of C$0.085 per unit for gross proceeds of C$346,065, which were received during the year ended December 31, 2019. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company exercisable at a price of C$0.15 per share for a period of 24 months from the date of issuance. The Company incurred cash share issuance costs of C$20,442 and issued 48,800 finders' warrants exercisable at a price of C$0.15 per share for a period of 24 months from the date of grant. The fair value of the finders warrants were fair valued at C$2,034 using the Black Scholes option pricing model.
b) On September 10, 2019 the Company issued 280,000 common shares at a fair value equivalent to C$37,800 in lieu of fees.
c) On September 10, 2019 the Company issued 293,020 common shares to settle debt of C$63,000.
d) On July 30, 2019 the Company issued 500,000 common shares at a fair value equivalent to C$115,000 in lieu of directors' fees.
e) On April 8, 2019, the Company issued 171,427 common shares to its officers, directors and consultants to settle corporate indebtedness of C$60,000. The shares fair value was C$60,857, and a loss on debt settlement of C$857 was recorded.
f) On March 22, 2019, the Company issued 210,000 common shares at a fair value equivalent to C$79,800 in lieu of directors fees.
g) On January 31, 2019, the Company issued 150,000 common shares to settle debt of C$45,000.
h) During the year ended December 31, 2019, the Company received C$194,737 of subscriptions receivable in exchange for shares.
i) During the year ended December 31, 2019, the Company issued 1,275,000 common shares pursuant to exercise of stock options for proceeds of C$256,249.
j) During the year ended December 31, 2019, the Company issued 2,958,600 common shares pursuant to exercise of warrants for proceeds of C$339,870.
k) During the year ended December 31, 2019, the Company issued 600,000 common shares at a fair value equivalent to C$132,000 in lieu of directors' fees.

During the year ended December 31, 2018:

a) On November 13, 2018, the Company issued 600,000 common shares in lieu of consulting fees, the shares were fair valued at C$180,000.
b) On October 25, 2018, the Company issued 114,703 common shares valued at C$34,984, to its officers, directors and a consultant to settle corporate indebtedness of C$39,000 resulting in a gain on debt settlement of C$4,016.
c) On October 17, 2018, the Company completed a non-brokered private placement issuing 2,847,727 units at C$0.35 for gross proceeds of C$996,704, of which C$211,390 has been accounted for as subscription receivable. Each unit consists of one common share and one-half share purchase warrant with each full warrant being exercisable by the holder at C$0.50 per warrant for common shares of the Company for a period of 24 months from date of issuance. The Company incurred cash issue costs of C$86,790 and issued 48,104 finders' warrants with an exercise price of C$0.50, expiring on October 17, 2020. The finders' warrants were fair valued at C$10,986 using the Black Scholes option pricing model.
d) On September 10, 2018, the Company issued 150,000 shares valued at C$46,500 to its officers, directors and a consultant to settle corporate indebtedness of C$27,500 resulting in a loss of C$19,500.
e) On June 27, 2018, the Company issued 285,000 shares valued at C$59,850 to its officers, directors and a consultant to settle corporate indebtedness of C$57,000 resulting in a loss of C$2,850.

f) On January 24, 2018, the Company closed a non-brokered private placement financing consisting of 12,304,924 units at a price of C$0.135 per unit for gross proceeds of C$1,661,165, of which C$10,200 was received subsequent to December 31, 2018. Each unit consists of one common share and one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company exercisable at a price of C$0.20 per share for a period of 24 months from the date of issuance. The Company paid finders' fees of C$125,077 and issued 760,642 finders' warrants exercisable at a price of C$0.20 per share for a period of 24 months from the date of grant. The fair value of the finders warrants were fair valued at C$329,286 using the Black Scholes option pricing model.

g) On January 12, 2018, the Company closed a non-brokered private placement financing consisting of 425,000 units at a price of C$0.0675 per unit for gross proceeds of C$28,688, which were received during year ended December 31, 2017. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company exercisable at a price of C$0.075 per share for a period of 24 months from the date of issuance.

h) During the year ended December 31, 2018, the Company issued 9,546,319 common shares upon exercise of warrants for proceeds of C$1,404,342, of which C$68,550 has been accounted as subscription receivable.

i) During the year ended December 31, 2018, the Company issued 1,981,000 common shares upon exercise of options for proceeds of C$261,065, of which C$55,000 has been accounted as subscription receivable.

B. Memorandum and Articles of Association

Incorporation

The Company was incorporated in Alberta on March 10, 1997, under the name 730898 Alberta Ltd. On December 10, 1997, we changed our name to First Industrial Capital Corporation. On January 8, 2001, we changed our name to Onbus Technologies Inc. We continued to British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on June 22, 2006 under the name Royal Monashee Gold Corp. On November 12, 2012, we changed our name to Plus8 Global Ventures Ltd. On March 17, 2016, we changed our name to ParcelPal Technology Inc..

Objects and Purpose

The Company's Memorandum and Articles of Incorporation ("Articles") do not contain a description of the Company's objects and purposes.

Directors

Management of the Company's Business

The directors of the Company manage and supervise the management of the affairs and business of the Company and have authority to exercise all such powers of the Company as are not, by the BCBCA or by the Articles, required to be exercised by the Company's shareholders.

Election and Qualification of Directors

Each director holds office until the Company's next annual general meeting or until he or she is removed, dies or his office is earlier vacated in accordance with the Company's Articles or with the provisions of the BCBCA. A director appointed or elected to fill a vacancy on the Company's board holds office until the Company's next annual general meeting.

Under the Company's Articles, a director is not required to hold a share in the authorized capital of the Company as qualification for his or her office but must be qualified as required by the BCBCA to become, act or continue to act as a director.

Remuneration of Directors

The directors are entitled to the remuneration, if any, for acting as directors as the directors may from time to time determine. If the directors so decide, the remuneration of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to a director in such director's capacity as an officer or employee of the Company.

Disclosable Interest

Our Articles do not restrict a director's power to vote on a proposal, arrangement or contract in which the director is materially interested (although the BCBCA generally requires a director who is materially interested in a material contract or material transaction, to disclose his or her interest to the Board, and to abstain from voting on any resolution to approve the contract or transaction, failing which the British Columbia Supreme Court may, on application of our Company or any of our shareholders, set aside the material contract or material transaction on any terms that it thinks fit, or require the director to account to the Company for any profit or gain realized on it, or both).

Borrowing Powers

The Company's Articles provide that the Company, if authorized by its directors, may:

- borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

Retirement

Our Articles do not set out a mandatory retirement age for our directors.

Authorized Capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

Special Rights or Restrictions Attached to Shares

The holders of common shares are entitled to receive notice of and to attend all annual and special meetings of the Company's shareholders and to one vote in respect of each common share held at the record date for each such meeting. The board of directors are entitled, in their discretion, to declare and issue dividends to the holders of common shares, payable in cash, shares, check, assets or debentures or such other form as the board of directors may determine. The holders of common shares will participate pro rata in any distribution of the assets of the Company upon liquidation, dissolution or winding-up or other distribution of the assets of the Company. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any of the Company's securities issued and outstanding at such time ranking in priority to the common shares upon the liquidation, dissolution or winding-up of the Company. Common shares are issued only as fully paid and are non-assessable.

The Company does not currently have preferred stock authorized for issuance.

Subject to any special rights or restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

Subject to the BCBCA, the directors may, by resolution create one or more classes or series of shares, or, if none of the shares of that particular series are issued, alter the Articles of the Company, as the case may be, to do among other things, one or more of the following:

- determine the maximum number of shares of that class that the Company is authorized to issue;
- determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination;
- create an identifying name for the shares of that series, or alter any such identifying name; and
- attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

The provisions in our Articles attaching to our common shares may be altered, amended, repealed, suspended or changed by the affirmative vote of the holders of not less than two-thirds of the outstanding common shares.

With the exception of special resolutions (i.e. resolutions in respect of fundamental changes to our company, including: the sale of all or substantially all of our assets, a merger or other arrangement or an alteration to our authorized capital that is not allowed by resolution of the directors) that require the approval of holders of two-thirds of the outstanding common shares entitled to vote at a meeting, either in person or by proxy, resolutions to approve matters brought before a meeting of our shareholders require approval by a simple majority of the votes cast by shareholders entitled to vote at a meeting, either in person or by proxy.

Options and Warrants

We may issue at any time options or warrants. Each option and each warrant carries the right to acquire one fully-paid non-assessable common share in our capital.

Shareholders

Location of Meetings

The Articles do not restrict the location at which meetings of shareholders may be held, but the location for the meeting must be approved by an ordinary resolution of the shareholders or approved in writing by the British Columbia Registrar of Companies before the meeting is held.

Time to Hold Meetings

The Company's Articles and the BCBCA provide that the Company's annual meetings of shareholders must be held at least once in each calendar year and not more than 15 months after the last annual general meeting at such time and place as the Company's directors may determine.

Calling Meetings

The Company's directors may, at any time, call a meeting of shareholders. Under the BCBCA, the holders of not less than five percent of the Company's issued shares that carry the right to vote at a meeting may requisition the Company's directors to call a meeting of shareholders for the purposes of transacting any business that may be transacted at a general meeting.

Persons Entitled to Attend Meetings

Shareholders entitled to vote at meetings are entitled to attend any meeting of shareholders. In addition, the directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Participation at Meetings

Pursuant to Article 8.20, a shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this section shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by Article 8.20:

- each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- the meeting shall be deemed to be held at the location specified in the notice of the meeting.

Quorum

Under the Company's Articles, the quorum for the transaction of business at a meeting of our shareholders is one person who is a shareholder, who is present in person or represented by proxy.

C. Material contracts

Goodfood Transportation Services Agreement

On May 26, 2020, the Company entered into a Transportation Services Agreement with Goodfood. Under its terms, ParcelPal will provide same-day delivery courier services for Goodfood's customers, in Vancouver and Calgary. In particular, ParcelPal shall provide last mile delivery services on behalf of Goodfood, within the markets and days of any week as agreed between the parties. Goodfood shall compensate ParcelPal according to fix rates based on successful deliveries. Either party shall be able to terminate this agreement without cause and at any time, upon giving written notice to the other party. In addition, Goodfood shall be able to terminate the agreement upon giving written notice to ParcelPal if ParcelPal fails to maintain agreed rates of successful deliveries.

Tangiers Notes

On April 14, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible note to Tangiers Global, LLC ("Tangiers") with a face value of US$367,500 (the April 2020 Note). Under the terms of the Note, US$250,000 was advanced to the Company on closing, and a second tranche of $100,000 was funded to us in May 2020. In connection with this convertible note, the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares.. The "Maturity Date" of this note, as amended, was 6 months from the funding of any tranche. The April 2020 Note carried a one-time guaranteed interest rate of 10% on the principal sum of each funded tranche. The principal amount was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.06 per share or (b) 65% of the lowest volume weighted average price of the Company's common shares during the 10 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The April 2020 Note has been fully converted and is retired from the books of the Company, and any reserve shares applicable to it have been placed back into treasury.

On June 29, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible single tranche note to Tangiers with a face value of US$210,000 (the "June Note"). Under the terms of the June Note, US$200,000 was advanced to the Company at closing, and the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares. The June Note carried a one-time guaranteed interest rate of 5% on the principal sum, and, as amended, had a maturity date of six months from the effective date of the transaction (or February 14, 2021). The principal sum was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.08per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder had the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.08 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company's common shares during the 15 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The June Note has been fully converted and is retired from the books of the Company, and any reserve shares applicable to it have been placed back into treasury.

On September 29, 2020, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible three tranche note to Tangiers with a face value of US$525,000 (the "September Note"). Under the terms of the September Note, US$150,000 was advanced to the Company at closing, and the Company issued 150,000 unregistered common shares to Tangiers as investment incentive shares. On October 15, an additional US$75,000 was funded by Tangiers to the Company, and the Company issued 75,000 unregistered common shares to Tangiers as investment incentive shares. On December 15, an additional US$100,000 was funded by Tangiers to the Company, and the Company issued 100,000 unregistered common shares to Tangiers as investment incentive shares. On January 12, 2021, an additional US$175,000 was funded by Tangiers to the Company, and the Company issued 175,000 unregistered common shares to Tangiers as investment incentive shares. The September Note carries a one-time guaranteed interest rate of 5% on the principal sum of the funded tranches, and has a maturity date of six months from the effective date of the initial tranche of March 29, 2021, and six months from the funding date of each subsequent tranche. The principal amount shall be convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US$0.06 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company's common shares during the 15 consecutive trading days prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. A portion of the September Note has been converted and carries a remaining principal balance of approximately US$288,500 as of the date of this annual report.

See also Subsequent Events in Note 14 for a description of the March 2021 convertible note financing, consummated on March 12, 2021.

F-1 Registration Statement, Investment Agreement and Registration Rights Agreement (Equity Line of Credit) with Tangiers Global, LLC

On December 16, 2020, the Company filed a Registration Statement on Form F-1 pursuant to the December 16, 2020 Investment Agreement and Registration Rights Agreement entered into with Tangiers Global, LLC in order to establish a source of equity funding for our operations. Under the Investment Agreement, Tangiers has agreed to provide us with up to US$5,000,000 of funding during the period ending three years from the date of the effectiveness of our F-1 resale registration statement which, pursuant to the terms of the Registration Rights Agreement, we filed with the Securities and Exchange Commission on December 18, 2020, and which was declared effective by the SEC on December 31, 2020 ("F-1 Registration Statement"). From time to time during the three (3) year term of the Investment Agreement, we may, in our sole discretion, deliver a Put Notice to Tangiers. The Put Notice will specify the number of shares of common stock which we intend to sell to Tangiers on a closing date. The closing of a purchase by Tangiers of the shares specified by us in the Put Notice will occur on the date which is no earlier than five and no later than seven Trading Days following the date Tangiers receives the Put Notice. On the closing date we will sell to Tangiers the shares specified in the Put Notice, and Tangiers will pay us an amount equal to the Purchase Price multiplied by the number of shares specified in the Put Notice. The maximum amount of shares of Common Stock that the Company shall be entitled to Put to Tangiers per any applicable Put Notice shall be an amount of shares up to or equal to two hundred percent (200%) of the average of the daily trading volume of the Common Stock for the ten (10) consecutive Trading Days immediately prior to the applicable Put Notice Date (the "Put Amount") so long as such amount is at least Five Thousand Dollars (US$5,000) and does not exceed Two Hundred Fifty Thousand Dollars (US$250,000), as calculated by multiplying the Put Amount by the average daily VWAP for the ten (10) consecutive Trading Days immediately prior to the applicable Put Notice Date. During the 36-month term of the Investment Agreement, the Company shall not be entitled to submit a Put Notice until after the previous Closing has been completed. Notwithstanding the foregoing, the Company may not deliver a Put Notice on or earlier of the tenth (10th) Trading Day immediately following the preceding Put Notice Date (the "Waiting Period"), unless a written waiver to deliver Put Notice during the Waiting Period is obtained by the Company from the Investor in advance. The number of shares to be sold by Tangiers in this offering will vary from time-to-time and will depend upon the number of shares purchased from us pursuant to the terms of the Investment Agreement. However, 45,000,000 shares of common stock is the maximum number of shares which we may sell to Tangiers under the F-1 Registration Statement.

Purchase Price means 85% of the lowest VWAP of the Common Stock during the five (5) consecutive Trading Days including and immediately following the applicable to the Put Notice, provided, however, an additional 10% will be added to the discount of each Put if (i) the Company is not DWAC or DRS eligible and (ii) an additional 15% will be added to the discount of each Put if the Company is under DTC "chill" status on the applicable Put Notice Date. Principal Market means the NYSE MKT, the Nasdaq Capital Market, the OTC Bulletin Board or the OTC Markets Group, whichever is the principal market on which our common stock is traded. VWAP means a price determined by the daily volume weighted average price of our common stock on the Principal Market as reported by (i) Bloomberg Financial L.P. or (ii) Stock Charts/Quote Media for the ten consecutive Trading Days immediately prior to the date of the delivery of a Put Notice.

We are under no obligation to sell any shares under the Investment Agreement, and we may terminate the Investment Agreement upon 15 days' notice to Tangiers, among other termination provisions.

As of December 31, 2020, and as of the date of this annual report, the Company has not initiated any put notices to Tangiers and has received no proceeds under this facility.

Tangiers' obligations under the equity line are not transferable.

Platform Agreement with Lineten Technologies

On February 14, 2020, the Company entered into a Platform Agreement with Lineten Technologies Inc. Under this agreement, the Company will integrate its platform with Lineten's to enhance ParcelPal's same-day delivery rates for Lineten's customers. Specifically, Lineten's will provide the Company with its technical assistance and expertise to fulfil same-day delivery orders ParcelPal receives from Lineten's customers. To this end, Lineten granted ParcelPal a fully paid-up, worldwide, non-exclusive, royalty-free license to use its platform for the purposes of completing the deliveries requested, provided that ParcelPal shall not sub-license, assign or otherwise transfer this license to its affiliates or to any third party.

Under the agreement, Lineten shall pay ParcelPal fees based upon the services provided in each month during the effectiveness of the agreement. Either party shall be able to terminate the agreement without cause and at any time, upon giving written notice to the other party. In addition, each party shall be able to terminate the agreement according to the conditions expressed therein, including in the case of any material breach of any of its terms.

Transportation Agreement with Amazon

On September 24, 2017, the Company entered into a Transportation Agreement with Amazon. Under the terms of the Transportation Agreement, the Company will provide transportation, delivery, and related services in Vancouver. The services will be provided under the instructions given by Amazon with respect to each delivery order. Amazon has the right to engage third parties that are not affiliated with ParcelPal to perform similar services. In addition, Amazon does not commit to any minimum volume work orders in favor of ParcelPal.

Under the terms of the agreement, Amazon shall pay ParcelPal fees based upon rated agreed upon for each order. Either party may terminate this agreement at any time, with or without cause, upon given written notice to the other party.

On February 11, 2021, the Company entered into a new Transportation Agreement with Amazon. Under the terms of the Transportation Agreement, the Company will provide transportation, delivery, and related services in Vancouver. This agreement replaces the original 2017 agreement.

Transportation Agreement with CareRx

On November 24, 2020, the Company entered into an agreement to provide delivery services with CareRx which is one of Canada's fastest growing and trusted providers of comprehensive specialty pharmacy services and solutions. They operate a rapidly growing national network of pharmacy fulfilment centres throughout Canada. ParcelPal will be providing same day and next day prescription delivery to different facilities in the Edmonton, Alberta and Calgary, Alberta areas to start, with other cities to follow.

Transportation Agreement with Oco Meals

In January 2021, the Company entered into a pilot agreement to provide delivery services to Oco Meals, one of Vancouver's fastest growing and trusted providers of meal kits. Oco Meals is a meal prep company that offers a weekly subscription service where they prepare and deliver pre-cooked meals that are made by small restaurant and catering chefs locally in Vancouver. In March 2021, the pilot turned into a full agreement.

Transportation Agreement with Sysco@Home

In March 2021, the Company entered into a pilot agreement with Sysco@Home who is the global leader in selling, marketing and distributing food products to restaurants, healthcare, educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. As part of the pilot program, we are providing delivery services to this new customer in two major cities in Canada. The pilot program concluded in April which at that point we agreed to a longer term agreement.

Transportation Agreement with Bayshore HealthCare

In April 2021, announced an agreement to provide delivery services with Bayshore Specialty Rx (specialty pharmacy, infusion and pharmaceutical patient support services). They are a subsidiary of Bayshore HealthCare which is one of Canada's leading providers of home and community healthcare services. With over 100 locations across the country, including 65 home care offices, 13 pharmacies and 90+ clinics, Bayshore has more than 13,500 staff members and provides care to over 350,000 clients.

ParcelPal will be providing same day and next day prescription delivery to different facilities in the Vancouver, British Columbia area to start, with other cities to follow.

See also Subsequent Events set forth in Note 14 of this annual report for a description of additional agreements entered into subsequent to the reporting period of this annual report.

D. Exchange controls

There are no governmental laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of the Company's common shares. Any remittances of dividends to United States residents are, however, subject to a 25% withholding tax pursuant to the *Income Tax Act (Canada)*. Provided a United States resident is entitled to the benefit of the reciprocal tax treaty between Canada and the United States, such rate is generally reduced to 15% (5% if the shareholder is a corporation owning at least 10% of the outstanding common shares of the Company).

Except as provided in the Investment Canada Act (the "Act"), there are no limitations under the laws of Canada, the Province of British Columbia or in the charter or any other constituent documents of the Company on the right of foreigners to hold or vote the common shares of the Company.

The following discussion summarizes the principal features of the Investment Canada Act for a non-resident who proposes to acquire the common shares.

The Investment Canada Act generally prohibits implementation of an acquisition of control of a Canadian business that exceeds the applicable financial threshold for review by an individual, government or agency thereof, corporation, partnership, trust or joint venture (each an "entity") that is not a "Canadian" as defined in the Investment Canada Act (a "non- Canadian"), unless after review, the Director of Investments appointed by the minister responsible for the Investment Canada Act is satisfied that the investment is likely to be of net benefit to Canada. The financial thresholds for review vary according to the nationality of the investor, whether the investor is a state-owned enterprise and whether the Canadian business carries on any of the prescribed list of cultural activities set out in the Investment Canada Act. A non-Canadian would acquire control of the Company for the purposes of the Investment Canada Act if the non-Canadian acquired a majority of the common shares. An acquisition resulting in the purchaser holding one third or more, but less than a majority, of the common shares would be presumed to be an acquisition of control of the Company unless it could be established that, on the acquisition, the Company was not controlled in fact by the acquirer through the ownership of the common shares. Certain transactions relating to the common shares would be exempt from the Investment Canada Act, including: (a) an acquisition of the common shares by a person in the ordinary course of that person's business as a trader or dealer in securities; (b) an acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Canada Act; and (c) an acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the Company, through the ownership of the common shares, remained unchanged.

E. Taxation

U.S. Taxation

This section describes the material U.S. federal income tax consequences to a U.S. holder (as defined below) of owning ordinary shares. It applies only to ordinary shares that are held as capital assets for tax purposes. This section does not apply to a holder of ordinary shares that is a member of a class of holders subject to special rules, including a financial institution, a dealer or trader in securities, a regulated investment company, a real estate investment trust, a grantor trust, a U.S. expatriate, a tax-exempt organization, an insurance company, a person liable for alternative minimum tax, a person who actually or constructively owns 10% or more of the stock of the Company, a person that holds ordinary shares as part of a straddle or a hedging or conversion transaction, a person that purchases or sells ordinary shares as part of a wash sale for tax purposes, or a person whose functional currency is not the U.S. dollar. Further, this description does not address state, local, non-U.S, or other tax laws, nor does it address the 3.8% U.S. federal Medicare tax on net investment income, the alternative minimum tax or the U.S. federal gift and estate tax consequences of owning and disposing of ordinary shares.

For purposes of this description, a "U.S. holder" is a beneficial owner of ordinary shares who holds such ordinary shares as capital assets within the meaning of the Code and is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust that either (a) is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership holds the ordinary shares, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the ordinary shares should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in the ordinary shares.

Distributions

Subject to the Passive Foreign Investment Company ("PFIC") rules discussed below, U.S. holders generally will include as dividend income the U.S. dollar value of the gross amount of any distributions of cash or property (without deduction for any withholding tax), other than certain pro rata distributions of ordinary shares, with respect to ordinary shares to the extent the distributions are made from our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend income on the day actually or constructively received by the holder. We do not intend to maintain calculations of earnings and profits, as determined for U.S. federal income tax purposes. Consequently, any distributions generally will be treated as dividend income.

Dividends paid to a non-corporate U.S. holder on shares will generally be taxable at the preferential rates applicable to long-term capital gains provided (a) that certain holding period requirements are satisfied, (b) (i) the U.S.-Canada income tax treaty ("the Treaty") is a qualified treaty and we are eligible for benefits under the Treaty or (ii) our ordinary shares are readily tradable on a U.S. securities market, and (c) provided that we were not, in the taxable year prior to the year in which the dividend was paid, and are not, in the taxable year in which the dividend is paid, a PFIC. The Treaty has been approved for the purposes of the qualified dividend rules. If the Company is a PFIC, any dividends paid to a noncorporate U.S. holder will not qualify for the preferential tax rates ordinarily applicable to "qualified dividends." In the case of a corporate U.S. holder, dividends on shares are taxed as ordinary income and will not be eligible for the dividends received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of any cash distribution paid in any foreign currency will be equal to the U.S. dollar value of such currency, calculated by reference to the spot rate in effect on the date such distribution is received by the U.S. holder, regardless of whether and when the foreign currency is in fact converted into U.S. dollars. If the foreign currency is converted into U.S. dollars on the date received, the U.S. holder generally should not recognize foreign currency gain or loss on such conversion. If the foreign currency is not converted into U.S. dollars on the date received, the U.S. holder will have a basis in the foreign currency equal to its U.S. dollar value on the date received, and generally will recognize foreign currency gain or loss on a subsequent conversion or other disposal of such currency. Such foreign currency gain or loss generally will be treated as U.S. source ordinary income or loss for foreign tax credit limitation purposes.

Dividends will be income from sources outside the United States, and generally will be “passive category” income or, for certain taxpayers, “general category” income, which are treated separately from each other for the purpose of computing the foreign tax credit allowable to a U.S. holder. The availability of the foreign tax credit and the application of the limitations on its availability are fact specific and are subject to complex rules. In general, a taxpayer’s ability to use foreign tax credits may be limited and is dependent on the particular circumstances. U.S. holders should consult their own tax advisors with respect to these matters.

Sale, Exchange or other Disposition of Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder who sells or otherwise disposes of ordinary shares will recognize a capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount realized and the holder's tax basis, determined in U.S. dollars, in those ordinary shares. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the holder has a holding period greater than 12 months in the shares sold. There are limitations on the deductibility of capital losses.

The U.S. dollar value of any foreign currency received upon a sale or other disposition of ordinary shares will be calculated by reference to the spot rate in effect on the date of sale or other disposal (or, in the case of a cash basis or electing accrual basis taxpayer, at the spot rate of exchange on the settlement date). A U.S. holder will have a tax basis in the foreign currency received equal to that U.S. dollar amount, and generally will recognize foreign currency gain or loss on a subsequent conversion or other disposal of the foreign currency. This foreign currency gain or loss generally will be treated as U.S. source ordinary income or loss for foreign tax credit limitation purposes. If such foreign currency is converted into U.S. dollars on the date received by the U.S. holder, a cash basis or electing accrual basis U.S. holder should not recognize any gain or loss on such conversion.

Passive Foreign Investment Company

A non-U.S. corporation will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

- 75% or more of its gross income for such year is "passive income" which for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions and gains from assets that produce passive income; or
- 50% or more of the value of its gross assets (based on an average of the quarterly values of the gross assets) during such year is attributable to assets that produce passive income or are held for the production of passive income.

Passive income does not include rents and royalties derived from the active conduct of a trade or business. If the stock of a non-U.S. corporation is publicly traded for the taxable year, the asset test is applied using the fair market value of the assets for purposes of measuring such corporation's assets. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income for purposes of the PFIC income and asset tests. If the stock of a non-U.S. corporation is publicly-traded for the taxable year, the asset test is applied using the fair market value of the assets for purposes of measuring such corporation's assets. If we were a PFIC in any year during a U.S. holder's holding period for our ordinary shares, we would ordinarily continue to be treated as a PFIC for each subsequent year during which the U.S. holder owned the ordinary shares. Based on the composition of our assets and income, we believe that we should not be treated as a PFIC for U.S. federal income tax purposes with respect to our 2019 taxable year and we do not intend or anticipate becoming a PFIC for any future taxable year. However, the determination of PFIC status is a factual determination that must be made annually at the close of each taxable year and therefore, there can be no certainty as to our status in this regard until the close of the current or any future taxable year. Changes in the nature of our income or assets or a decrease in the trading price of our ordinary shares may cause us to be considered a PFIC in the current or any subsequent year. Therefore, there can be no assurance that we or any of our subsidiaries will not be classified as a PFIC until the close of the current taxable year or for any future taxable year.

U.S. Information Reporting and Back-up Withholding

Dividend payments with respect to our ordinary shares and proceeds from the sale or other disposition of our ordinary shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Back-up withholding will not apply, however, to a U.S. holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from back-up withholding. U.S. holders who are required to establish their exempt status may be required to provide such certification on Internal Revenue Service ("IRS") Form W-9. U.S. holders should consult their tax advisors regarding the application of the U.S. information reporting and back-up withholding rules.

Back-up withholding is not an additional tax. Amounts withheld as back-up withholding may be credited against a U.S. holder's U.S. federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the back-up withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Information With Respect to Foreign Financial Assets

Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of $50,000 are generally required to file an information statement along with their U.S. federal tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. If a U.S. holder does not include in such holder's gross income an amount relating to one or more specified foreign financial assets, and the amount such U.S. holder omits is more than $5,000, any tax such U.S. holder owes for the tax year can be assessed at any time within 6 years after the filing of such U.S. holder's federal tax return. U.S. holders who fail to report the required information could be subject to substantial penalties. U.S. holders are encouraged to consult with their own tax advisors regarding the possible application of the foregoing or other United States informational reporting requirements to our ordinary shares in light of their particular circumstances.

British Columbia Tax Considerations

Certain Canadian Federal Income Tax Information for United States Residents

The following summarizes the principal Canadian federal income tax considerations generally applicable to the holding and disposition of common shares of the Company by a holder (a) who, for the purposes of the Income Tax Act (Canada) the ("Tax Act") and at all relevant times, is not resident in Canada or deemed to be resident in Canada, deals at arm's length and is not affiliated with the Company, holds the common shares as capital property and does not use or hold the common shares in the course of carrying on, or otherwise in connection with, a business in Canada, and (b) who, for the purposes of the Canada-United States Income Tax Convention (the "Treaty") and at all relevant times, is a resident of the United States, has never been a resident of Canada, has not held or used (and does not hold or use) common shares in connection with a permanent establishment or fixed base in Canada, and who qualifies for the full benefits of the Treaty. The Canada Revenue Agency has introduced special forms to be used in order to substantiate eligibility for Treaty benefits, and affected holders should consult with their own advisers with respect to these forms and all relevant compliance matters.

Holders who meet all such criteria in clauses (a) and (b) above are referred to herein as a "U.S. Holder" or "U.S. Holders", and this summary only addresses such U.S. Holders. The summary does not deal with special situations, such as particular circumstances of traders or dealers, limited liability companies, tax-exempt entities, insurers, financial institutions (including those to which the mark-to-market provisions of the Tax Act apply), entities considered fiscally transparent under applicable law, or otherwise.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all proposed amendments to the Tax Act and regulations publicly announced by the Minister of Finance (Canada) to the date hereof, the current provisions of the Treaty and our understanding of the current administrative practices of the Canada Revenue Agency. It has been assumed that all currently proposed amendments to the Tax Act and regulations will be enacted as proposed and that there will be no other relevant change in any governing law, the Treaty or administrative policy, although no assurance can be given in these respects. This summary does not take into account provincial, U.S. or other foreign income tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian income tax consequences. It is not intended as legal or tax advice to any particular U.S. Holder and should not be so construed. The tax consequences to a U.S. Holder will depend on that U.S. Holder's particular circumstances. Accordingly, all U.S. Holders or prospective U.S. Holders should consult their own tax advisers with respect to the tax consequences applicable to them having regard to their own particular circumstances. The discussion below is qualified accordingly.

Dividend

Dividends paid or deemed to be paid or credited by the Company to a U.S. Holder are subject to Canadian withholding tax under Part XIII of the Tax Act. The default rate of withholding tax is 25% of the gross dividend paid to a non-resident of Canada.

Under the Treaty, the rate of withholding tax on dividends paid to a U.S. Holder is generally limited to 15% of the gross dividend. In the case of a U.S. Holder that is a corporation owning at least 10% of the Company's voting shares, the applicable withholding rate is 5% of the gross dividend, provided the U.S. Holder can establish entitlement to the benefits of the Treaty.

The Company is required to withhold Part XIII tax from each dividend, and remit the withheld amount directly to the Receiver General of Canada for the account of the shareholder. U.S. Holders entitled to reduced withholding under the Treaty must provide the Company with certain information to ensure the correct amount of tax is withheld. The Company will provide U.S. Holders with a summary of withholdings annually. U.S. Holders are not required to file a separate income tax return to report dividends received from the Company in a given year.

Disposition

A U.S. Holder is generally not subject to tax under the Tax Act in respect of a capital gain realized on the disposition of a common share in the open market, unless the share is "taxable Canadian property" to the holder thereof and the U.S. Holder is not entitled to relief under the Treaty.

Provided that the Company's common shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX Venture) at the time of disposition, a common share will generally not constitute taxable Canadian property to a U.S. Holder unless, at any time during the 60 month period ending at the time of disposition, (i) the U.S. Holder, persons with whom the U.S. Holder did not deal at arm's length for purposes of the Tax Act, partnerships in which the U.S. Holder or such persons holds a membership interest directly or indirectly, (or the U.S. Holder together with any such foregoing persons) or partnerships, owned 25% or more of the issued shares of any class or series of the Company AND (ii) more than 50% of the fair market value of the share was derived directly or indirectly from certain types of assets, including real or immoveable property situated in Canada, Canadian resource properties or timber resource properties, and options, interests or rights in respect of any of the foregoing.

Even a common share is taxable Canadian Property to a U.S. Holder, a capital gain resulting of the disposition of that share will not be included in computing the U.S. Holder's taxable income for the purposes of the Tax Act, provided that the share constitutes "treaty-protected property" of such U.S. Holder. Common shares owned by a U.S. Holder will generally be treaty-protected property if the gain from the disposition of such share would, because of the Treaty, be exempt from tax under the Tax Act.

U.S. Holders holding Common shares as taxable Canadian property should consult with the U.S. Holder's own tax advisers in advance of any disposition or deemed disposition thereof under the Tax Act in order to determine whether any relief from tax under the Tax Act may be available by virtue of the Treaty, and any related compliance procedures.

If a U.S. Holder realizes a capital gain or capital loss from the disposition of a common shares that constitutes taxable Canadian property and is not treaty-protected property for the purposes of the Tax Act, the capital gain or capital loss is the amount, if any, by which the U.S. Holder's proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of the U.S. Holder's adjusted cost base of the share and reasonable expenses of disposition as determined under the Tax Act. The capital gain or loss must be computed in Canadian currency using a weighted average cost base for identical properties. Generally, one-half of a capital gain ("taxable capital gain") is included in income form Canadian tax purposes in the year of disposition and one-half of a capital loss ("allowable capital loss") must be deducted from taxable capital gains realized by the U.S. Holder in that year. Allowable capital losses in excess of taxable capital gains for that year may generally be carried back up to three years, or forward indefinitely, and deducted against net taxable capital gains in those years, in the manner permitted under the Tax Act. Reporting and filing requirements will also arise. Such U.S. Holders should consult their own tax advisors.

F. Dividends and paying agents

Not applicable

G. Statement by experts

The audited financial statements of ParcelPal as of and for the year ended December 31, 2020, 2019 and 2018 appearing in this annual report have been audited by Dale Matheson Carr-Hilton Labonte LLP, independent registered public accounting firm, located at 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of the firm as experts in accounting and auditing.

H. Documents on Display

The Company files information with the SEC via EDGAR. The SEC maintains an Internet site that contains annual reports, information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Documents concerning the Company which are referred to in this Form 20-F may be inspected at the offices of Wiklow Proactive Corporate Services, Suite 202, 5626 Larch Street, Vancouver, BC V6M 4E1. In addition, the Company also files its annual reports and other information with the Canadian Securities Administrators via SEDAR (www.sedar.com).

As a foreign private issuer, we will be exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish or make available to our shareholders annual reports containing our combined financial statements prepared in accordance with IFRS and make available to our shareholders quarterly reports containing our unaudited interim financial information for the first three fiscal quarters of each fiscal year.

I. Subsidiary Information

Not applicable

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable includes $264,296 due from one major customer. The customer is of low credit risk and none of the balance is past due. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

Interest risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk. We do not have any interest rate sensitive instruments in our portfolio that create a material exposure to changes in interest rates.

Liquidity risk

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

Foreign exchange risk

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

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

This item is not applicable.

Item 14. Material Modifications to the Rights of Security Holders and the Use of Proceeds

This item is not applicable.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2020, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our management has concluded that, as of December 31, 2020, our disclosure controls and procedures were not effective.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). Based on that evaluation, our management has concluded that, as of December 31, 2020, the Company had material weaknesses in its internal control over financial reporting and was deemed to be not effective. Specifically, management identified the following material weaknesses as at December 31, 2020:

- the Company has insufficient quantity of dedicated resources and experienced personnel involved in reviewing and designing internal controls. As a result, a material misstatement of the interim and annual financial statements could occur and not be prevented or detected on a timely basis.

- the Company did not perform an entity level risk assessment to evaluate the implication of relevant risks on financial reporting, including the impact of potential fraud-related risks and the risks related to non-routine transactions, if any, on our internal control over financial reporting. Lack of an entity-level risk assessment constituted an internal control design deficiency which resulted in more than a remote likelihood that a material error would not have been prevented or detected, and constituted a material weakness.

- the Company has not achieved the optimal level of segregation of duties relative to key financial reporting functions.

To remediate our internal control weaknesses, management would need to implement the following measures:

- the Company would need to add sufficient number of independent directors to the board and appoint an audit committee.

- the Company would need to add sufficient knowledgeable accounting personnel to properly segregate duties and to affect a timely, accurate preparation of the financial statements.

- upon the hiring of additional accounting personnel, the Company would need to develop and maintain adequate written accounting policies and procedures.

This Annual Report does not include an attestation report of the Company's registered public accounting firm as we are a smaller reporting company.

Inherent Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in Internal Control Over Financial Reporting

Except as set forth above, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) for the fiscal year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item16. [Reserved]

Item 16A. Audit Committee Financial Expert

We have no audit committee financial expert. As we are not listed on a national stock exchange, we are not required to constitute an audit committee.

Item 16B. Code of Ethics

Currently, we have no code of ethics. As we have limited resources available, we have not yet focused on drafting a code of ethics. We will do so as soon as possible.

Item 16C. Principal Accounting Fees and Services

We retained Dale Matheson Carr-Hilton Labonte LLP as our independent registered public accounting firm. Set forth below is a summary of the fees paid to Dale Matheson Carr-Hilton Labonte LLP for services provided in fiscal years 2020 and 2019.

Dale Matheson Carr-Hilton Labonte LLP

	Fiscal 2020 C$	**Fiscal 2019 C$**
Audit Fees	**$ 40,000**	**$ 34,000**
Audit Related Fees	$ 5,000	$ 30,000
Tax Fees	$ 900	$ 900
Total remuneration	$ 45,900	$ 64,900

Pre-Approval Policies and Procedures

We have not adopted yet a pre-approval of audit and non-audit services policy and procedure because we do not have yet an audit committee.

Item 16D. Exemptions from the Listing Standards for Audit Committees

This item is not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

This item is not applicable.

Item 16F. Changes in registrant's Certifying Accountant

This item is not applicable.

Item 16G. Corporate Governance

This item is not applicable.

Item 16H. Mine Safety Disclosure

This item is not applicable.

PART III

Item 17. Financial Statements

Refer to “Item 18 – Financial Statements” below

Item 18. Financial Statements

The financial statements filed as part of this annual report commencing on page F-1.

Item 19. Exhibits

See exhibits index.

Index to Financial Statements

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of ParcelPal Technology Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of financial position of ParcelPal Technology Inc. (the "Company") as of December 31, 2020 and 2019, the related statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2020, 2019 and 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years ended December 31, 2020, 2019 and 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred losses and negative operating cash flows since its inception. The Company will require further financing to meet its financial obligations and sustain its operations in the normal course of the business. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting in accordance with the standards of the PCAOB. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion in accordance with the standards of the PCAOB.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DMCL

DALE MATHESON CARR-HILTON LABONTE LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

We have served as the Company's auditor since 2014

Vancouver, Canada

April 30, 2021

ParcelPal Technology Inc.
Statements Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash		255,668	295,593
Accounts receivable	3	363,653	745,002
Subscriptions receivable	6	-	72,875
Prepaid expenses		34,344	3,019
Loan receivable	4	1,874	1,874
		655,539	1,118,363
Vehicles and Right-of-use assets	5	343,699	210,257
Total assets		999,238	1,328,620
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	1,053,012	589,257
Convertible Note	11	766,070	-
Derivative liability	11	794,631	-
Sales tax payable		300,903	102,597
Short-term loan payable		28,051	-
Lease obligations - current	10	92,736	196,957
		3,035,403	888,811
Lease obligations	10	120,167	5,841
Total liabilities		3,155,570	894,652
SHAREHOLDERS' (DEFICIT) EQUITY			
Share capital	6	11,408,737	9,367,691
Subscriptions received in advance		-	100,240
Contributed surplus		3,363,593	3,020,617
Deficit		(16,928,662)	(12,054,580)
Total shareholders' (deficit) equity		(2,156,332)	433,968
Total liabilities and shareholders' equity		999,238	1,328,620

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Subsequent events (Note 14)

Approved by the Board of Directors

"Rich Wheeless" Director "Brian Storseth" Director

The accompanying notes are an integral part of these financial statements.

ParcelPal Technology Inc.
Statements of Loss and Comprehensive Loss
For the Years Ended December 31,
(Expressed in Canadian Dollars)

	Notes	2020 $	2019 $	2018 $
SALES	3	6,317,329	4,782,865	3,369,630
COST OF SALES	12	(5,947,895)	(4,336,556)	(2,883,176)
GROSS PROFIT		369,434	446,309	486,454
EXPENSES				
Amortization		-	19,100	36,100
Consulting fees	7	656,405	860,248	815,060
Foreign exchange		(61,236)	12,243	1,029
Marketing and promotion		29,146	1,586,284	470,394
Management and director fees	7	305,158	190,800	108,000
Office and miscellaneous		1,155,805	994,124	551,313
Professional fees		655,378	124,550	119,713
Regulatory and filing fees		78,945	48,924	27,654
Salaries		533,193	358,074	-
Share-based compensation	6	473,103	776,962	1,548,784
Travel and accommodation		31,692	62,459	97,328
		(3,857,589)	(5,033,768)	(3,775,375)
Loss before other items		(3,488,155)	(4,587,459)	(3,288,921)
Other items:				
Debt settlement	11	191,773	857	18,334
Derivative liability		866,238	-	-
Interest expense	11	323,931	29,958	49,669
Interest income		-	(7,762)	(5,890)
Impairment of asset		3,985	-	
Impairment of marketable securities		-	-	300,000
Impairment of loan receivable		-	-	13,342
		1,385,927	23,053	375,455
Loss and comprehensive loss for the year		(4,874,082)	(4,610,512)	(3,664,376)
Basic and diluted loss per share		(0.05)	(0.06)	(0.06)
Weighted average number of shares outstanding – basic and diluted		91,147,886	80,778,869	66,902,789

The accompanying notes are an integral part of these financial statements.

ParcelPal Technology Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2020, 2019 and 2018
(Expressed in Canadian Dollars)

	Number of shares	Amount $	Contributed Surplus $	Subscriptions receivable $	Subscriptions received in advance $	Deficit $	Total $
Balance, December 31, 2017	**48,180,280**	**3,315,693**	**830,239**	**-**	**37,688**	**(3,779,692)**	**403,928**
Shares issued pursuant to:							
Private placements	15,577,651	2,686,557		(221,590)	(28,688)	-	2,436,279
Warrant exercises	9,546,319	1,492,780	(88,438)	(68,550)	-	-	1,335,792
Option exercises	1,981,000	429,176	(168,111)	(55,000)	-	-	206,065
Debt Settlement	549,703	141,334	-	-	(9,000)	-	132,334
In lieu of consulting fees	600,000	180,000	-	-	-	-	180,000
Issue costs	-	(211,867)	-	-	-	-	(211,867)
Broker warrants	-	(340,272)	340,272	-	-	-	340,272
Share-based compensation	-	-	1,548,784	-	-	-	1,548,784
Net and comprehensive loss for the year	-	-	-	-	-	(3,664,376)	(3,664,376)
Balance, December 31, 2018	**76,434,953**	**7,693,401**	**2,462,746**	**(345,140)**	**-**	**(7,444,068)**	**2,366,939**
Shares issued pursuant to:							
Private placements	4,071,353	344,031	2,034	-	-	-	346,065
Warrant exercises	2,958,600	355,287	(15,417)	-	-	-	339,870
Option exercises	1,275,000	461,957	(205,708)	-	-	-	256,249
Debt settlement	614,447	168,857	-	-	-	-	168,857
In lieu of consulting fees	1,590,000	364,600	-	-	-	-	364,600
Subscriptions received	-	-	-	345,140	100,240	-	445,380
Share-based compensation	-	-	776,962	-	-	-	776,962
Net and comprehensive loss for the year	-	-	-	-	-	(4,610,512)	(4,610,512)
Balance, December 31, 2019	**86,944,353**	**9,367,691**	**3,020,617**	**-**	**100,240**	**(12,054,580)**	**433,968**
Shares issued pursuant to:							
Option exercises	2,000,000	310,127	(130,127)	-	(90,000)	-	90,000
Warrant exercises	200,000	30,000	-	-	-	-	30,000
Convertible note	6,154,897	756,919	-	-	-	-	756,919
Debt settlement	2,786,667	434,000	-	-	-	-	434,000
In lieu of consulting fees	4,868,056	510,000	-	-	-	-	510,000
Write-off subscriptions receivable	-	-	-	-	(10,240)	-	(10,240)
Share-based compensation	-	-	473,103	-	-	-	473,103
Net and comprehensive loss for the year	-	-	-	-	-	(4,874,082)	(4,874,082)
Balance, December 31, 2020	**102,953,973**	**11,408,737**	**3,363,593**	**-**	**-**	**(16,928,662)**	**(2,156,332)**

The accompanying notes are an integral part of these financial statements.

ParcelPal Technology Inc.
Statements of Cash Flows
For the Years Ended December 31,
(Expressed in Canadian Dollars)

	2020 $	2019 $	2018 $
Operating activities			
Loss for the year	(4,874,082)	(4,610,512)	(3,664,376)
Add non-cash items:			
Amortization	388,859	368,768	351,681
Share-based compensation	473,103	776,962	1,548,784
Accrued interest	323,931	(7,700)	(5,890)
Shares issued in lieu of consulting fees	510,000	364,600	180,000
Unrealized foreign exchange gain	(63,704)	-	-
(Gain) loss on debt settlement	191,773	857	18,334
Impairment of asset	3,985	-	-
Impairment of loan receivable	-	-	13,342
Impairment of marketable securities	-	-	300,000
Fair value of derivative	866,238	-	-
Changes in non-cash working capital items			
Sales tax payable	198,306	(18,736)	97,208
Prepaid expenses	(31,325)	2,373	71,009
Accounts receivable	381,349	(139,660)	(245,832)
Accounts payable and accrued liabilities	704,438	572,999	237,422
Net cash flows used in operating activities	(927,129)	(2,690,049)	(1,098,318)
Investing activities			
Advances of loans receivable	-	(21,000)	(375,000)
Purchase of vehicles	(112,034)	-	-
Purchase of marketable securities	-	-	(245,000)
Deposit paid on leased equipment	-	-	(34,125)
Repayment of loans receivable	-	89,374	250,000
Net cash flows used in investing activities	(112,034)	68,374	(404,125)
Financing activities			
Proceeds from private placements	-	273,190	2,427,279
Share issuance costs	-	(20,442)	(211,867)
Convertible note	1,192,699	-	-
Exercise of options	90,000	256,249	206,065
Exercise of warrants	30,000	339,870	1,335,792
Lease payments	(345,695)	(306,562)	(229,727)
Loan repayment	(26,416)	-	-
Subscriptions receivable	-	194,737	-
Subscriptions received	58,650	100,240	-
Net cash flows provided by financing activities	999,238	837,282	3,527,542
Change in cash during the year	(39,925)	(1,784,393)	2,025,099
Cash – beginning of the year	295,593	2,079,986	54,887
Cash – end of the year	255,668	295,593	2,079,986
Supplemental cash flow information:			
Income taxes paid	-	-	-
Interest paid	28,671	29,958	49,669

The accompanying notes are an integral part of these financial statements.

ParcelPal Technology Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

ParcelPal Technology Inc. ("the Company" or "ParcelPal") is a Vancouver, British Columbia based company that specializes in last-mile delivery service and logistics solutions, providing businesses with a smart, reliable and affordable delivery service powered by the Company's licensed technology platform. ("ParcelPal"). The Company was incorporated in Alberta on March 10, 1997. On June 22, 2006, the Company moved its incorporation jurisdiction to British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "PKG", on the OTCQB (over-the-counter) Market in the United States under the symbol PTNYF and on the Frankfurt Stock Exchange under the symbol "PTO".

These financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from the carrying values as shown, and these condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

The Company has incurred losses and negative operating cash flows since its inception. The Company will require further financing to meet its financial obligations and sustain its operations in the normal course of the business. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to meet its long-term business strategy depends on its ability to obtain additional equity financing and to generate operational cash flow from delivery services revenue.

On March 11, 2020 the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

2. BASIS OF PRESENTATION

Statement of Compliance
These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). These financial statements were approved by the Board of Directors and authorized for issue on April 30, 2021.

Basis of measurements
These financial statements have been prepared on a historical cost basis, except for items measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted.

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, estimating allowances for doubtful accounts receivable, the recoverability of loans receivable, estimating useful lives of equipment, the recoverability and measurement of deferred tax assets, and estimating the fair value for share-based payment transactions.

Significant judgements

Financial Instruments

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of its financial assets and liabilities under IFRS 9:

	Classification IFRS 9
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized Cost
Convertible note	Amortized Cost
Derivative liability	FVTPL
Short term loan	Amortized Cost

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

Convertible Debentures
Convertible debentures are compound financial instruments whose components may be allocated between a financial liability component and an equity instrument component. The identification of such components embedded within a convertible debenture requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option is fixed, the financial liability, represents the discounted obligation to repay the cash component and is initially measured at fair value and subsequently measured at amortized cost. The residual amount is recognized in equity. Where the conversion option is variable, the derivative liability is measured first and carried at fair value and the residual balance represents the financial liability measured at amortized cost. Transaction costs are apportioned to the debt liability and equity components in proportion to the allocation of proceeds.

Leases
At the inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or remove the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term lease of assets that have a lease term of 12 months or less and leases of low-value assets, such as IT equipment. The Company recognizes the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Revenue from Contracts with Customers
The Company's revenue is generated from a work contract established with one major customer and from other individual customers on demand. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs to sell can be reliably measured. Revenues is recognized when services are rendered or delivery of goods is completed.

Performance Obligations
Based on the criteria outlined in IFRS 15, the Company's primary performance obligation relating to its sales contracts with customers is the delivery of the product or products by an agreed upon time.

Transaction Price
Based on the criteria outlined in IFRS 15, the Company determined that the transaction price is based upon scheduled and on demand or same day rates. As the Company has one primary performance obligation, that is making the required deliveries on time, the entire transaction price is allocated to the completion of deliveries.

Once the Company's performance obligation of completing the required deliveries on time, the Company's obligation is met and the Company recognizes revenue.

Foreign currency translation
The functional currency of the Company is determined using the currency of the primary economic environment in which the Company operates. The functional and presentation currency, as determined by management, of the Company is the Canadian dollar.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non- monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statements of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in comprehensive loss, the exchange component is also recognized in comprehensive loss.

Loss per share
Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the net loss for the year and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees and warrants outstanding. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price during the year. Because the Company incurred net losses, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals basic loss per share.

Income Taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Equipment
Leased vehicles are recorded at cost and amortized over the estimated term of the lease or the expected life of the asset if the Company has included payments to acquire the asset at the end of the lease. Equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

Purchased vehicles are recorded at cost and amortized over the estimated useful life of 2 years for previously used vehicles.

Intangibles
The Company records internally-generated intangible assets at cost less accumulated amortization and accumulated impairment losses.

Intangible assets in use are amortized on a straight-line basis over their estimated useful life of 3 years. Intangible assets under development and not ready for use are not amortized.

Research and development
Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company’s development group, are capitalized as intangible assets when the Company can demonstrate that the technological feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally- generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. The Company did not have any development costs that met the capitalization criteria for the year ended December 31, 2020.

(Expressed in Canadian Dollars)

Share-based payments
The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Any consideration paid by plan participants on the exercise of stock options is credited to share capital.

Valuation of equity units issues in private placements
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants issued in private placements is recorded to reserves.

Impairment of assets
The Company performs impairment tests on its long-lived assets, including intangible assets, when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of the depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

The CGU's recoverable amount is evaluated using the higher of the fair value less costs to sell or value in use. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value from active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

3. ACCOUNTS RECEIVABLE

	December 31, 2020 $	December 31, 2019 $
Accounts receivable	**363,653**	**745,002**

As at December 31, 2020 95% of the Company's accounts receivable are current, and accordingly no provision for doubtful accounts, was made.
One customer accounted for 73% of accounts receivable at December 31, 2020 (2019 – 98% of accounts receivable) and 95% (2019 – 99%) of total revenues during year ended December 31, 2020.

(Expressed in Canadian Dollars)

4. LOAN RECEIVABLE

On July 29, 2018 the Company entered into a loan agreement with a company related to a director, whereby the Company advanced $60,000 to the vendor. On March 20, 2019, the Company advanced an additional $21,000 to the vendor. The loan is unsecured, bears interest at 10% per annum and is due on demand. During the year ended December 31, 2019 $89,374 of the loan was repaid and as at December 31, 2020 and 2019 $1,874 remains outstanding.

5. RIGHT-OF-USE ASSETS AND VEHICLES

Right-of-use assets consists of leased vehicles carried at cost less accumulated depreciation. The Company's vehicles as at December 31, 2020 and December 31, 2019 are as follows:

	Vehicles $	ROU Assets $	Total $
Cost			
Balance, December 31, 2019 and 2018	-	894,046	894,046
Additions	166,501	358,423	524,924
Disposal	-	(881,676)	(881,676)
Balance, December 31, 2020	**166,501**	**370,793**	**537,294**
Accumulated amortization			
Balance, December 31, 2018	-	334,121	334,121
Amortization	-	349,668	-
Balance, December 31, 2019	-	683,789	-
Amortization	16,559	372,300	388,859
Disposal	-	(879,053)	(879,053)
Balance, December 31, 2020	**16,559**	**177,036**	**193,595**
Net Book Value			
Balance, December 31, 2019	**-**	**210,257**	**210,257**
Balance, December 31, 2020	**149,942**	**193,757**	**343,699**

During the year ended December 31, 2020 the Company included $388,859 (2019 - $349,668) of amortization in cost of sales.

During the year ended December 31, 2020 the Company transferred a vehicle lease to a former employee and wrote off the lease obligation and right-of-use asset.

On October 1, 2020, the Company purchased vehicles for $132,466 to increase its delivery capacity. The Company paid $77,999 in cash and financed the remaining $54,467 via short term loans. The loans are non-interest bearing and due on January 31, 2021.

On December 31, 2020 upon expiration of certain vehicle leases the Company purchased the previously leased vehicles for $34,035.

6. SHARE CAPITAL

Common Shares

Authorized:
The authorized capital of the Company consists of an unlimited number of common shares without par value.

Issued:

During the year ended December 31, 2020:

a. On January 14, 2020, the Company issued 600,000 common shares in lieu of fees for consulting services. The shares were fair valued at $72,000.
b. On February 11, 2020, the Company issued 416,667 commons shares to settle debt of $50,000. The shares were fair valued at $50,000 and no gain or loss on debt settlement was recorded.
c. On March 23, 2020, the Company issued 205,556 common shares in lieu of fees to a consultant of the Company. The shares were fair valued at $18,500.
d. On May 29, 2020, the Company issued 600,000 common shares as consideration for a convertible note issued by the Company, the shares were fair valued at $nil.
e. On June 9, 2020, the Company issued 270,000 shares pursuant to a debt settlement, the shares were fair valued at $27,000.
f. On June 11, 2020, the Company issued 1,200,000 common shares to settle and terminate a business advisory agreement, the shares were fair valued at $150,000.
g. On June 24, 2020, the Company issued 600,000 common shares in lieu of fees for consulting services. The shares were fair valued at $66,000.
h. On June 29, 2020, the Company issued 300,000 common shares as consideration for a convertible note issued by the Company, the shares were fair valued at $nil.
i. On July 3, 2020, the Company issued 1,000,000 common shares fair valued at $95,000 for management fees.
j. On July 15, 2020, the Company issued 500,000 common shares fair valued at $47,500 for management fees.
k. On August 27, 2020, the Company issued 583,333 common shares to settle $35,000 USD of convertible debt, the shares were valued at $64,167 (note 11).
l. On September 15, 2020, the Company issued 500,000 common shares fair valued at $40,000 for management fees.
m. On September 29, 2020, the Company issued 150,000 common shares valued at $nil pursuant to the issuance of an additional convertible note.
n. On October 16, 2020, the Company issued 75,000 common shares valued at $nil pursuant to the issuances of an additional convertible note.
o. On November 6, 2020, the Company issued 262,500 common shares in lieu of fees, the shares were fair valued at $21,000.
p. On December 14, 2020, the Company issued 833,333 common shares to settle $50,000 USD of convertible debt. The shares were valued at $133,333.
q. On December 17, 2020, the Company issued 1,666,667 common shares to settle $100,000 USD of convertible debt. The shares were valued at $291,667.
r. On December 18, 2020, the Company issued 2,100,000 common shares to settle $199,752 USD of debt. The shares were fair valued at $357,000 and the Company recorded a loss on debt settlement of $103,773.
s. On December 21, 2020, the Company issued 100,000 common shares as consideration for a convertible note issued by the Company, the shares were fair valued at $nil.
t. On December 23, 2020, the Company issued 1,846,564 common shares to settle $110,794 USD of convertible debt. The shares were valued at $267,752.

During the year ended December 31, 2019:

a. On January 31, 2019, the Company issued 150,000 common shares to settle debt of $45,000. The shares were fair valued at $45,000 and no gain or loss on debt settlement was recorded.
b. On March 22, 2019, the Company issued 210,000 common shares in lieu of fees, the shares were fair valued at $79,800.
c. The Company received $194,737 of subscriptions receivable.
d. On April 8, 2019, the Company issued 171,427 common shares to its officers, directors and consultants to settle corporate indebtedness of $60,000, the shares were fair valued at $60,857 and a loss on debt settlement of $857 was recorded.
e. The Company issued 1,275,000 common shares pursuant to exercise of stock options for proceeds of $256,249.
f. The Company issued 2,958,600 common shares pursuant to exercise of warrants for proceeds of $339,870.
g. The Company issued 600,000 common shares in lieu of fees, the shares were fair valued at $132,000.
h. On September 10, 2019, the Company issued 293,020 common shares to settle debt of $63,000, the shares were fair valued at $63,000 and no gain or loss on debt settlement was recorded.
i. On July 30, 2019, the Company issued 500,000 common shares in lieu of fees, the shares were fair valued at $115,000.
j. On September 10, 2019, the Company issued 280,000 common shares in lieu of fees, the shares were fair valued at $37,800.
k. On November 22, 2019, the Company closed a non-brokered private placement financing consisting of 4,071,353 units at a price of $0.085 per unit for gross proceeds of $346,065. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company exercisable at a price of $0.15 per share for a period of 24 months from the date of issuance. The Company incurred cash share issuance costs of $20,442 and issued 48,800 finders' warrants exercisable at a price of $0.15 per share for a period of 24 months from the date of grant. The fair value of the finders warrants were fair valued at $2,034 using the Black Scholes option pricing model. As at December 31, 2019, the Company had $72,875 in subscriptions receivable relating to the private placement.

(Expressed in Canadian Dollars)

Stock Options

The Company has adopted an incentive stock option plan, which enables the Board of Directors of the Company from time to time, at its discretion, and in accordance with the CSE requirements to, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Each stock option permits the holder to purchase one share at the stated exercise price. The options vest at the discretion of the Board of Directors.

The following is a summary of the Company's stock option activity:

	Number of Options #	Weighted Average Exercise Price $
Balance, December 31, 2018	**10,829,000**	**0.24**
Granted	3,400,000	0.15
Exercised	(1,275,000)	0.20
Expired	(655,000)	0.24
Forfeited	(1,925,000)	0.24
Balance, December 31, 2019	**10,374,000**	**0.22**
Granted	6,725,000	0.09
Exercised	(2,000,000)	0.09
Expired	(200,000)	0.17
Forfeited	(5,099,000)	0.20
Balance, December 31, 2020	**9,800,000**	**0.15**

Pursuant to the exercise of stock options the Company reallocated $130,127 (2019 - $205,708) of contributed surplus to share capital.

On May 6, 2020, the Company granted 2,875,000 options to officers, directors and consultants of the Company. The options had an exercise price of $0.09, vested immediately and expire on May 6, 2025. The Company fair valued the options using the Black-Scholes option pricing model at $208,995.

On June 1, 2020, the Company granted 250,000 options to an employee of the Company, the options have an exercise price of $0.14 and expire on January 30, 2023. The options vested immediately and were fair valued at $14,251.

On July 22, 2020, the Company granted 500,000 options to consultants of the Company, the options have an exercise price of $0.09 and expire on July 22, 2025. The options vested immediately and were fair valued at $34,827 using the Black-Scholes option pricing model.

(Expressed in Canadian Dollars)

On November 12, 2020, the Company granted 1,000,000 options to consultants of the Company, the options have an exercise price of $0.09 and expire on November 12, 2025. The options vested immediately and were fair valued at $57,909 using the Black-Scholes option pricing model.

On November 12, 2020, the Company granted 2,000,000 options to directors, officers and consultants of the Company, the options have an exercise price of $0.075 and expire on November 12, 2025. The options vested immediately and were fair valued at $121,608 using the Black-Scholes option pricing model.

During the year ended December 31, 2020, the Company recorded share-based payments expense of $473,103 (2019 - $776,962; 2018 - $1,548,784) pursuant to the vesting of previously granted options and the granting of the above-mentioned options. The Company fair values options using the Black-Scholes option pricing model using the following assumptions:

	December 31, 2020	December 31 2019
Weighted average fair value of options granted	$ 0.06	$ 0.04
Risk-free interest rate	0.44 – 1.51%	1.15%-1.8%
Estimated life	1 – 5 years	5.00 years
Expected volatility	106% - 119%	112%-122%
Expected dividend yield	0.00%	0.00%

As at December 31, 2020 the following options were outstanding and exercisable:

Expiry Date	Exercise price $	Remaining life (years)	Options outstanding
November 17, 2022	0.16	1.88	150,000
November 28, 2022	0.18	1.91	550,000
January 21, 2023	0.32	2.06	450,000
May 1, 2023	0.24	2.33	500,000
June 28, 2023	0.20	2.49	25,000
August 15, 2023	0.21	2.62	400,000
August 31, 2023	0.27	2.67	450,000
November 22, 2023	0.26	2.89	150,000
December 13, 2023	0.25	2.95	750,000
May 2, 2024	0.27	3.34	150,000
May 17, 2024	0.245	3.41	200,000
June 17, 2024	0.245	3.46	300,000
May 6, 2025	0.09	4.35	2,875,000
June 1, 2025	0.14	2.08	250,000
July 22, 2025	0.09	4.56	500,000
November 12, 2025	0.075	4.87	2,100,000
		3.69	**9,800,000**

(Expressed in Canadian Dollars)

Warrants

The following is a summary of the Company's warrant activity:

	Number of Options #	Weighted Average Exercise Price $
Balance, December 31, 2018	**13,877,917**	**0.20**
Issued	2,084,476	0.15
Exercised	(2,958,600)	0.11
Expired	(891,480)	0.08
Balance, December 31, 2019	**12,112,313**	**0.23**
Exercised	(200,000)	0.15
Expired	(10,027,836)	0.29
Balance, December 31, 2020	**1,884,477**	**0.15**

As of December 31, 2020 the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number Outstanding	Exercise Price $
November 22, 2021	1,884,477	0.15
	1,884,477	0.15

7. RELATED PARTY TRANSACTIONS

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

	2020 $	2019 $	2018 $
Consulting fees	372,066	322,656	98,225
Management fees	305,158	163,800	72,000
Share-based compensation	295,786	-	276,211
	973,010	486,456	446,436

Included in accounts payable as at December 31, 2020 is $85,669 (December 31, 2019 - $64,047) owing to directors and officers. These amounts are non-interest bearing, unsecured and due on demand.

(Expressed in Canadian Dollars)

8. INCOME TAXES

The income tax provision differs from expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	December 31, 2020 $	December 31, 2019 $	December 31, 2018 $
Net loss for the year	(4,874,082)	(4,610,512)	(3,664,376)
Statutory income tax rate	27%	27%	27%
Expected income tax recovery	(1,316,002)	(1,244,838)	(989,382)
Permanent differences	120,014	205,553	418,172
Adjustments to prior year versus statutory tax return	-	-	(69,594)
Change in unrecognized deferred assets	1,195,988	1,039,285	640,804
Income tax recovery	-	-	-

Temporary differences that give rise to the following deferred tax assets and liabilities are:

	December 31, 2020 $	December 31, 2019 $	December 31, 2018 $
Deferred tax assets			
Non-capital tax loss carry forwards	3,440,372	2,260,154	1,203,851
Other	64,347	109,482	123,003
Share issuance costs	43,527	43,527	47,024
	3,548,246	2,413,163	1,373,878
Valuation allowance	(3,548,246)	(2,413,163)	(1,373,878)
	-	-	-

As at December 31, 2020, the Company has approximately $12,742,000 of non-capital losses in Canada that may be used to offset future taxable income, expiring between 2026 and 2040.

9. FINANCIAL INSTRUMENTS

Classification of financial instruments
The Company's financial instruments consist of cash, accounts receivable, loans receivable, accounts payable and accrued liabilities and lease obligations. The Company classifies cash, accounts receivable and loans receivable as financial assets at amortized cost. Accounts payable and lease obligations are classified as financial liabilities at amortized cost.

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. When material, these risks are reviewed and monitored by the Board of Directors.

There have been no changes in any risk management policies during the year ended December 31, 2020.

Fair value
Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities measured at amortized cost approximate their fair value due to their short term to maturity.

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

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable includes $264,296 due from one major customer. The customer is of low credit risk, none of the balance is past due and was collected subsequent to year end. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

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

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments. During the year ended December 31, 2020, the Company entered into an agreement pursuant to which it received access to a US $5,000,000 equity line of credit for a period of three years. As at December 31, 2020, the Company has not accessed the equity line of credit.

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year ended December 31, 2020.

10. LEASE OBLIGATIONS

During the year ended December 31, 2017 the Company entered into multiple 36-month vehicle lease agreements, the Company present valued the lease payment using its incremental borrowing rate ranging from 9.48% to 9.72%. The Company recorded lease liabilities of $412,525. During the year ended December 31, 2018 the Company entered into additional vehicle lease agreements ranging from 24-36 months in term. The Company present valued the lease payments using incremental borrowing rates ranging from 6.88% to 9.75% and recorded initial lease obligations of $349,286. During the year ended December 31, 2020 the Company entered into additional vehicle lease agreements ranging in term from 12-48 months in term. The Company present valued the lease payments using its incremental borrowing rate of 11.31% and recorded a lease obligation of $353,687.

The Company's lease obligations as at December 31, 2020 and 209 and the changes for the years then ended are as follows:

	$
Balance, December 31, 2018	**509,360**
Interest expense	29,958
Payments	(336,520)
Balance, December 31, 2019	**202,798**
Lease additions	358,423
Lease termination	(2,623)
Interest expense	28,671
Payments	(374,366)
Balance, December 31, 2020	**212,903**

The Company's future minimum lease payments under the lease obligations as at December 31, 2020 and December 31 2019 are as follows:

	December 31, 2020 $	**December 31, 2019 $**
Less than 1 year	104,745	204,323
1-5 years	134,784	6,013
5 + years	-	-
Total minimum lease payments	239,529	210,336
Less: Imputed Interest	(26,626)	(7,538)
Total lease obligations	212,903	202,798
Current portion of lease obligations	(92,736)	(196,957)
Non-current portion of lease obligations	120,167	5,841

During the year ended December 31, 2020, the Company also incurred $58,042 in short-term vehicle lease expense that is not included above.

11. CONVERTIBLE PROMISSORY NOTE

During the year ended December 31, 2020, the Company entered into multiple US dollar denominated convertible note agreements, with each convertible note containing a guaranteed interest rate between 5% and 10%, a 5% original issue discount on the principal of the convertible note, incentive common shares of the Company and the right to convert at a fixed price of US $0.06 to US $0.08 per share. As the convertible note and embedded conversion feature are denominated in US dollars and the Company has a Canadian dollar functional currency, they are within the scope of IAS 32 – *Financial Instruments: Presentation*, the value of the conversion feature is subject to changes in value based on the prevailing market price, resulting in a derivative liability. On initial recognition, the Company used the residual value method to allocate the principal amount of the convertible note between the derivative liability and host debt components. The derivative liability was valued first using the Black Scholes option pricing model and the residual was allocated to the host debt component. As the fair value of the debt, when discounted using the Company's discount rate of 11.31% was greater than the total consideration received, the incentive shares were allocated a value of $nil.

(Expressed in Canadian Dollars)

The derivative liability is remeasured at fair value through profit or loss at each reporting period using the Black-Scholes pricing model using the following assumptions:

	December 31, 2020
Risk-free interest rate	0.10 – 0.34%
Estimated life	.5-.75 years
Expected volatility	60% - 101%
Expected dividend yield	0.00%

The convertible notes issued during the year are as follows:

On April 14, 2020, the Company issued a convertible note for US$367,500 with a guaranteed interest rate of 10% and an original issue discount of US$17,500. The convertible note was received in two tranches, the first US$262,500 (CAD - $350,092) on April 17, 2020 (“First Tranche”) and the remaining US$105,000 (CAD - $139,893) on May 7, 2020 (“Second Tranche”). The convertible note had a maturity date of 225 days from the date the cash was received and could be converted into common shares of the Company at a conversion price of US$0.06 per common share. As consideration for the convertible note the Company issued 600,000 common shares valued at $nil.

On initial measurement the Company fair valued the conversion option of the First Tranche at $85,981 and allocated the residual value of $264,111 to the loan. The Company amortized the loan to maturity using an effective interest rate of 37.12%. During the year ended December 31, 2020, the First Tranche was converted into 4,929,897 common shares valued at $756,919.

The conversion option on the Second Tranche was fair valued at $39,528 with the residual value of $100,365 allocated to the loan. The loan was amortized to maturity using an effective interest rate of 49.31%. The loan matured on December 18, 2020 and was converted subsequent to year end.

On June 29, 2020, the Company issued a second convertible note for US$210,000 (CAD - $273,526) with a guaranteed interest rate of 5% and an original issue discount of US$10,000. The note matures on February 9, 2021 and can be converted into common shares of the Company at a conversion price of US$0.08 per common share. As consideration for the convertible note the Company issued 300,000 common shares fair valued at $nil. The conversion option was fair valued at $60,816 with the residual value of $212,710 allocated to the loan. The loan is amortized to maturity using an effective interest rate of 33.98%.

On September 29, 2020, the Company issued a convertible note for US$157,500 (CAD - $201,178) with a guaranteed interest rate of 5% and an original issue discount of US$7,500. The note matures on March 28, 2021 and can be converted into common shares of the Company at a conversion price of US$0.06 per common share. As consideration for the convertible note the Company issued 150,000 common shares fair valued at $11,250. The conversion option was fair valued at $47,535 with the residual value of $153,643 allocated to the loan. The loan is amortized to maturity using an effective interest rate of 37.44%.

On October 16, 2020, the Company issued a convertible note for US$78,750 (CAD - $99,239) with a guaranteed interest rate of 5% and an original issue discount of US$3,750. The note matures on April 14, 2021 and can be converted into common shares of the Company at a conversion price of US$0.06 per common share. As consideration for the convertible note the Company issued 75,000 common shares fair valued at $nil. The conversion option was fair valued at $29,544 with the residual value of $69,695 allocated to the loan. The loan is amortized to maturity using an effective interest rate of 48.62%.

(Expressed in Canadian Dollars)

On December 21, 2020, the Company issued a convertible note for US$105,000 (CAD - $128,770) with a guaranteed interest rate of 5% and an original issue discount of US$5,000. The note matures on June 19, 2021 and can be converted into common shares of the Company at a conversion price of US$0.06 per common share. As consideration for the convertible note the Company issued 100,000 common shares fair valued at $nil. The conversion option was fair valued at $38,631 with the residual value of $90,139 allocated to the loan. The loan is amortized to maturity using an effective interest rate of 49.31%.

The fair value of the derivative liability at December 31, 2020 was $794,631 (2019 - $nil). During the year ended December 31, 2020 the Company realized a loss on fair value of derivative liability of $287,661 (2019 - $nil) related to conversion and $587,577 (2019 - $nil) in unrealized loss from remeasurement of the outstanding derivative liabilities.

The changes in the fair value of the derivative and loan balances were as follows:

	Convertible Debt $	Derivative Liability $
Balance, December 31, 2019 and 2018	-	-
Additions	890,664	302,035
Interest expense	77,640	-
Accretion	246,291	-
Change in fair value of derivative liability	-	866,238
Conversion of convertible debt	(384,820)	(373,642)
Foreign exchange on loan	(63,704)	-
Balance, December 31, 2020	**766,070**	**794,631**

12. COST OF SALES

For the years ended December 31, 2020, 2019 and 2018, cost of sales consists of the following:

	December 31, 2020 $	December 31, 2019 $	December 31, 2018 $
Amortization	388,859	349,668	315,581
Driver expenses	121,352	211,204	29,470
Fuel	396,343	422,726	350,357
Salaries and wages	4,983,299	3,352,958	2,187,768
Vehicle rentals	58,042	-	-
	5,947,895	4,336,556	2,883,176

13. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2020 the Company issued 2,786,667 shares valued at $434,000 to settle accounts payable of $330,227 and issued 4,868,056 shares, valued at $422,000, for consulting services.

During the year ended December 31, 2019 the Company issued 614,447 shares valued at $168,856 to settle accounts payable of $168,000 and issued 1,590,000 shares, valued at $364,600, for consulting services.

During the year ended December 31, 2019 the Company received $8,374 in interest relating to loans receivable (note 4).

ParcelPal Technology Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2020:

1) The Company issued 8,866,447 common shares pursuant to the settlement of US$587,112 convertible debt.
2) The Company issued an unsecured multi-tranche convertible note with a face value of up to US$1,050,000. Upon issuance of the note the Company received the first of US$350,000 and issued 300,000 common shares as consideration for the first tranche.
3) The Company issued 175,000 incentive shares pursuant to the issuance of a convertible note of US$175,000.
4) The Company issued 657,000 shares pursuant to the exercise of 657,000 warrants for gross proceeds of $98,500.
5) The Company issued 100,000 shares pursuant to the exercise of 100,000 stock options for gross proceeds of $9,000.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1*	Articles of ParcelPal Technology Inc.
4.1*	Form of Warrant.
4.2*	Convertible Promissory Note Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated June 29, 2020.
4.2*	Convertible Promissory Note Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated April 14, 2020.
4.3*	Convertible Promissory Note Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated September 29, 2020
4.4#	Registration Rights Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated December 16, 2020.
4.5#	Investment Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated December 16, 2020
4.6#	Convertible Promissory Note Agreement between ParcelPal Technology Inc. and Tangiers Global, LLC, dated March 12, 2021
4.7*	ParcelPal Technology Inc. Stock Option Plan
10.1✓*	Platform Agreement between ParcelPal Technology Inc. and Lineten Technologies Inc, dated February 14, 2020.
10.2✓#	Transportation Agreement between ParcelPal Technology Inc. and Amazon Canada Fulfillment Services, Inc., dated February 11, 2021.
10.3*	Consulting Agreement for Chief Executive Officer of ParcelPal Technology Inc., dated March 27, 2020.
10.4✓*	Transportation Services Agreement between ParcelPal Technology Inc. and Goodfood Market Inc., dated May 26, 2020.
10.5✓#	Delivery Service Agreement between ParcelPal Technology Inc. and Bayshore Specialty Rx, dated March 31, 2021
10.6✓#	Delivery Service Agreement between ParcelPal Technology Inc. and Oco Meals, dated March 29, 2021
10.7✓#	General Delivery Service Agreement between ParcelPal Technology Inc. and CareRx Corporation, dated November 19, 2020
12.1#	Certification of Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
13.1#	Certification of Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934
15.1#	Consent of Independent Registered Public Accounting Firm.

✓ Certainconfidential portions of this exhibit were omitted by means of marking such portions with brackets (“[***]”) because the identified confidential portions are not material and would be competitively harmful if publicly disclosed.
Filed herewith
* Filed as an Exhibit to our Form 20-F filed with the SEC on August 4, 2020, as subsequently amended, and incorporated herein by reference.

SIGNATURES

The registrant hereby certifies that it meets all the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

PARCELPAL TECHNOLOGY INC.

/s/ Rich Wheeless

Rich Wheeless

Chief Executive Officer, Chief Financial Officer, Director

Date: April 30, 2021

Exhibit 4.4

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "**Agreement**"), dated as of December 14, 2020 (the "**Execution Date**"), is entered into by and between ParcelPal Technology Inc. (the "**Company**"), a corporation organized under the laws of British Columbia, with its principal executive offices at 190 Alexander St., Suite 305, Vancouver, BC V6A 2S5, and Tangiers Global, LLC (the "**Investor**"), a Wyoming limited liability company, with its principal executive offices at Caribe Plaza Office Building, 6th Floor, Palmeras St. #53, San Juan, PR 00901.

RECITALS:

WHEREAS, pursuant to the Investment Agreement entered into by and between the Company and the Investor of this even date (the "**Investment Agreement**"), the Company has agreed to issue and sell to the Investor an indeterminate number of Common Shares of the Company, no par value per share (the "**Common Shares**"), up to an aggregate purchase price of Five Million Dollars ($5,000,000).

WHEREAS, as an inducement to the Investor to execute and deliver the Investment Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "**1933 Act**"), and applicable state securities laws, with respect to the Common Shares issuable pursuant to the Investment Agreement.

NOW THEREFORE, in consideration of the foregoing promises and the mutual covenants contained hereinafter and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor hereby agree as follows:

SECTION I
DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

"**1933 Act**" shall have the meaning set forth in the recitals.

"**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, or any similar successor statute.

"**Agreement**" shall have the meaning set forth in the preamble.

"**Claims**" shall have the meaning set forth in Section 6.1.

"**Common Shares**" shall have the meaning set forth in the recitals.

"**Company**" shall have the meaning set forth in the preamble.

"**Execution Date**" shall have the meaning set forth in the preamble.

"**Indemnified Damages**" shall have the meaning set forth in Section 6.1.

"**Indemnified Party**" shall have the meaning set forth in Section 6.1.

"**Indemnified Person**" shall have the meaning set forth in Section 6.1.

"**Investment Agreement**" shall have the meaning set forth in the recitals.

"**Investor**" shall have the meaning set forth in the preamble.

"**Investor's Delay**" shall have the meaning set forth in Section 3.5.

"**New Registration Statement**" shall have the meaning set forth in Section 2.3.

"**Person**" means a corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

"**Principal Market**" shall mean Canadian Securities Exchange, Nasdaq Capital Market, the NYSE Amex, the New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Global Select Market or the OTCQB, or whichever is the principal market on which the Common Shares of the Company are listed.

"**Register**," "**Registered**," and "**Registration**" refer to the Registration effected by preparing and filing one (1) or more Registration Statements in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous basis, and the declaration or ordering of effectiveness of such Registration Statement(s) by the SEC.

"**Registration Period**" shall have the meaning set forth in Section 3.1.

"**Registrable Securities**" means (i) the Common Shares issuable pursuant to the Investment Agreement, and (ii) any shares of capital stock issuable with respect to such Common Shares, if any, as a result of any stock splits, stock dividends, or similar transactions, which have not been (x) included in the Registration Statement that has been declared effective by the SEC, or (y) sold under circumstances meeting all of the applicable conditions of Rule 144 (or any similar provision then in force) under the 1933 Act.

"**Registration Default**" shall have the meaning set forth in Section 3.3.

"**Registration Statement**" means the registration statement of the Company filed under the 1933 Act covering the Registrable Securities.

"**Rule 144**" means Rule 144 promulgated under the 1933 Act or any successor rule of the SEC.

"**SEC**" shall mean the U.S. Securities and Exchange Commission.

"**Staff**" shall have the meaning set forth in Section 2.3.

"**Violations**" shall have the meaning set forth in Section 6.1.

All capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning ascribed to them as in the Investment Agreement.

SECTION II
REGISTRATION

2.1 The Company shall use its best efforts to, within ninety (90) days of the Execution Date file with the SEC a Registration Statement or Registration Statements (as is necessary) on Form F-1 (or, if such form is unavailable for such a registration, on such other form as is available for such registration), covering the resale of up to $5,000,000 of the Registrable Securities, which Registration Statement(s) shall state that, in accordance with Rule 416 promulgated under the 1933 Act, such Registration Statement also covers such indeterminate number of additional Common Shares as may become issuable upon stock splits, stock dividends or similar transactions. The Company shall initially register for resale 42,900,000 shares of Registrable Securities, except to the extent that the SEC may require such share amount to be reduced as a condition of effectiveness.

2.2 The Company shall use commercially reasonable efforts to have the Registration Statement(s) declared effective by the SEC within one hundred twenty (120) days but no more than one hundred fifty (150) days after the Company has filed the Registration Statement(s), subject to any SEC comments or objections which may remain unresolved on or after the 150th day that prevent the effectiveness of such Registration Statement, which shall not be a default hereunder or under the Investment Agreement.

2.3 Notwithstanding the registration obligations set forth in Section 2.1, if the staff of the SEC (the "**Staff**") or the SEC informs the Company that all of the unregistered Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single Registration Statement, the Company agrees to promptly (i) inform the Investor and use its commercially reasonable efforts to file amendments to the Registration Statement as required by the SEC and/or (ii) withdraw the Registration Statement and file a new registration statement (the "**New Registration Statement**"), in either case covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form F-1 to register for resale the Registrable Securities as a secondary offering. If the Company amends the Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company shall use its commercially reasonable efforts to file with the SEC, as promptly as allowed by the Staff or SEC, one or more registration statements on Form F-1 to register for resale those Registrable Securities that were not registered for resale on the Registration Statement, as amended, or the New Registration Statement. Additionally, the Company shall have the ability to file one or more New Registration Statements, without penalty or default, to cover the Registrable Securities once the Shares under the initial Registration Statement referenced in Section 2.1 have been sold.

SECTION III
RELATED OBLIGATIONS

At such time as the Company is obligated to prepare and file the Registration Statement with the SEC pursuant to Section 2, the Company shall effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, with respect thereto, the Company shall have the following obligations:

3.1 Upon the effectiveness of such Registration Statement relating to the Registrable Securities, the Company shall keep such Registration Statement effective until the earlier to occur of the date on which (A) the Investor shall have sold all the Registrable Securities actually issued or that the Company has an obligation to issue under the Investment Agreement; or (B) the Investor has no right to acquire any additional Common Shares under the Investment Agreement; or (C) the Investor may sell the Registrable Securities without volume limitations under Rule 144 (the "**Registration Period**"). The Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The Investor agrees to provide all information which it is required by law to provide to the Company, including the intended method of disposition of the Registrable Securities, and the Company's obligations set forth in this Agreement shall be conditioned on the receipt of such information.

3.2 The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to the Registration Statement and the prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the 1933 Act, as may be necessary to keep such Registration Statement effective during the Registration Period, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the Investor thereof as set forth in such Registration Statement. In the event the number of Common Shares covered by the Registration Statement filed pursuant to this Agreement is at any time insufficient to cover all of the Registrable Securities, the Company shall amend such Registration Statement, or file a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover all of the Registrable Securities, in each case, as soon as practicable, but in any event within thirty (30) calendar days after the necessity therefor arises (based on the then Purchase Price of the Common Shares and other relevant factors on which the Company reasonably elects to rely), assuming the Company has sufficient authorized shares at that time, and if it does not, within thirty (30) calendar days after such shares are authorized. The Company shall use commercially reasonable efforts to cause such amendment and/or new Registration Statement to become effective as soon as practicable following the filing thereof.

3.3 As promptly as practicable after becoming aware of such event, the Company shall notify Investor in writing of the happening of any event as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading ("**Registration Default**") and use all diligent efforts to promptly prepare a supplement or amendment to such Registration Statement and take any other necessary steps to cure the Registration Default (which, if such Registration Statement is on Form F-3, may consist of a document to be filed by the Company with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act and to be incorporated by reference in the prospectus) to correct such untrue statement or omission, and make available copies of such supplement or amendment to the Investor. The Company shall also promptly notify the Investor (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when the Registration Statement or any post-effective amendment has become effective; (ii) of any request by the SEC for amendments or supplements to the Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to the Registration Statement would be appropriate, (iv) in the event the Registration Statement is no longer effective, or (v) if the Registration Statement is stale as a result of the Company's failure to timely file its financials or otherwise

3.4 The Company shall use all commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of the Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify the Investor holding Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding concerning the effectiveness of the Registration Statement.

3.5 The Company shall permit the Investor and one (1) legal counsel, designated by the Investor, to review and comment upon the Registration Statement and all amendments and supplements thereto at least one (1) calendar day prior to their filing with the SEC. However, any postponement of a filing of a Registration Statement or any postponement of a request for acceleration or any postponement of the effective date or effectiveness of a Registration Statement by written request of the Investor (collectively, the "**Investor's Delay**") shall not act to trigger any penalty of any kind, or any cash amount due or any in-kind amount due the Investor from the Company under any and all agreements of any nature or kind between the Company and the Investor. The event(s) of an Investor's Delay shall act to suspend all obligations of any kind or nature of the Company under any and all agreements of any nature or kind between the Company and the Investor.

3.6 The Company shall hold in confidence and not make any disclosure of information concerning the Investor unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, (iv) such information is required to be submitted or disclosed in response to an SEC comment or pursuant to the 1933 Act and/or the 1934 Act, and the rules and regulations applicable thereto or (v) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning the Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to the Investor and allow the Investor, at the Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order covering such information.

3.7 The Company shall use all commercially reasonable efforts to maintain designation and quotation of all the Registrable Securities covered by any Registration Statement on the Principal Market. If, despite the Company's commercially reasonable efforts, the Company is unsuccessful in satisfying the preceding sentence, it shall use commercially reasonable efforts to cause all the Registrable Securities covered by any Registration Statement to be listed on each other national securities exchange and automated quotation system, if any, on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange or system. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3.7.

3.8 If requested by the Investor, the Company shall (i) as soon as reasonably practical incorporate in a prospectus supplement or post-effective amendment such information as the Investor reasonably determines should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment as soon as reasonably possible after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement if reasonably requested by the Investor.

3.9 The Company shall use all commercially reasonable efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to facilitate the disposition of such Registrable Securities.

3.10 The Company shall otherwise use all commercially reasonable efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

3.11 The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by the Investor of Registrable Securities pursuant to the Registration Statement.

SECTION IV
OBLIGATIONS OF THE INVESTOR

4.1 At least five (5) calendar days prior to the first anticipated filing date of the Registration Statement, the Company shall notify the Investor in writing of the information the Company requires from the Investor for the Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities and the Investor agrees to furnish to the Company that information regarding itself, the Registrable Securities and the intended method of disposition of the Registrable Securities as shall reasonably be required to effect the registration of such Registrable Securities and the Investor shall execute such documents in connection with such registration as the Company may reasonably request. The Investor covenants and agrees that, in connection with any sale of Registrable Securities by it pursuant to the Registration Statement, it shall comply with the "Plan of Distribution" section of the then current prospectus relating to such Registration Statement.

4.2 The Investor, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless the Investor has notified the Company in writing of an election to exclude all of the Investor's Registrable Securities from such Registration Statement.

4.3 The Investor agrees that, upon receipt of written notice from the Company of the happening of any event of the kind described in Section 3.4 or the first sentence of Section 3.3, the Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until the Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3.4 or the first sentence of Section 3.3.

SECTION V
EXPENSES OF REGISTRATION

All legal expenses of the Company incurred in connection with registrations shall be paid by the Company.

SECTION VI
INDEMNIFICATION

In the event any Registrable Securities are included in the Registration Statement under this Agreement:

6.1 To the fullest extent permitted by law, the Company, under this Agreement, will, and hereby does, indemnify, hold harmless and defend the Investor who holds Registrable Securities, the directors, officers, partners, employees, agents and representatives of, and each Person, if any, who controls, the Investor within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Person**"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, attorneys' fees, amounts paid in settlement or expenses, joint or several (collectively, "**Claims**"), incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in the Registration Statement or any post-effective amendment thereto, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which the statements therein were made, not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to the Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**"). Subject to the restrictions set forth in Section 6.3 the Company shall reimburse the Investor and each such controlling person, promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6.1: (i) shall not apply to a Claim arising out of or based upon a Violation which is due to the inclusion in the Registration Statement of the information furnished to the Company by any Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto; (ii) shall not be available to the extent such Claim is based on (a) a failure of the Investor to deliver or to cause to be delivered the prospectus made available by the Company or (b) the Indemnified Person's use of an incorrect prospectus despite being promptly advised in advance by the Company in writing not to use such incorrect prospectus; (iii) any claims based on the manner of sale of the Registrable Securities by the Investor or of the Investor's failure to register as a dealer under applicable securities laws; (iv) any omission of the Investor to notify the Company of any material fact that should be stated in the Registration Statement or prospectus relating to the Investor or the manner of sale; and (v) any amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the resale of the Registrable Securities by the Investor pursuant to the Registration Statement.

6.2 In connection with any Registration Statement in which Investor is participating, the Investor agrees to indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6.1, the Company, each of its directors, each of its officers who signs the Registration Statement, each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act and the Company's agents (collectively and together with an Indemnified Person, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation is due to the inclusion in the Registration Statement of the written information furnished to the Company by the Investor expressly for use in connection with such Registration Statement; and, subject to Section 6.3, the Investor shall reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; *provided, however*, that the indemnity agreement contained in this Section 6.2 and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Investor, which consent shall not be unreasonably withheld; provided, further, however, that the Investor shall only be liable under this Section 6.2 for that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the resale of the Registrable Securities by the Investor pursuant to the Registration Statement. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6.2 with respect to any preliminary prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in the preliminary prospectus were corrected on a timely basis in the prospectus, as then amended or supplemented.

6.3 Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the Indemnified Person or Indemnified Party, the representation by counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The indemnifying party shall pay for only one (1) separate legal counsel for the Indemnified Persons or the Indemnified Parties, as applicable, and such counsel shall be selected by the Investor, if the Investor is entitled to indemnification hereunder, or the Company, if the Company is entitled to indemnification hereunder, as applicable. The Indemnified Party or Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding affected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such Claim. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

6.4 The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

SECTION VII
CONTRIBUTION

7.1 To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6; (ii) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities, or, if Registrable Securities are unsold, the value of such Registrable Securities.

SECTION VIII
REPORTS UNDER THE 1934 ACT

8.1 After the Execution Date of the Registration Statement and with a view to making available to the Investor the benefits of Rule 144 that may at any time permit the Investor to sell securities of the Company to the public without registration, provided that the Investor holds any Registrable Securities that are eligible for resale under Rule 144, the Company agrees to:

a. make and keep public information available, as those terms are understood and defined in Rule 144;

b. file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

c. furnish to the Investor, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, the 1933 Act and the 1934 Act, as applicable, and (ii) such other information as may be reasonably requested to permit the Investor to sell such securities pursuant to Rule 144 without registration.

SECTION IX
MISCELLANEOUS

9.1 NOTICES. Any notices or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by electronic mail (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and email addresses for such communications shall be:

If to the Company: ParcelPal Technology Inc..
190 Alexander St., Suite 305,
Vancouver, BC V6A 2S5
Attn: Rich Wheeless, CEO
Email: rich@parcelpal.com

If to the Investor: Tangiers Global, LLC
Caribe Plaza Office Building 6th Floor,
Palmeras St. #53, PR 00901
Email: compliance@tangierscapital.com

Each party shall provide five (5) business days prior written notice to the other party of any change in address or email address.

9.2 NO WAIVERS. Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

9.3 NO ASSIGNMENTS. The rights and obligations under this Agreement shall not be assignable.

9.4 ENTIRE AGREEMENT/AMENDMENT. This Agreement and the Registered Offering Transaction Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the Registered Offering Transaction Documents supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof. The provisions of this Agreement may be amended only with the written consent of the Company and Investor.

9.5 HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Whenever required by the context of this Agreement, the singular shall include the plural and masculine shall include the feminine. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if all the parties had prepared the same.

9.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission, PDF, electronic signature or other similar electronic means with the same force and effect as if such signature page were an original thereof.

9.7 FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.8 SEVERABILITY. In case any provision of this Agreement is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired thereby.

9.9 LAW GOVERNING THIS AGREEMENT. This Agreement shall be governed by, and construed and interpreted in accordance with the laws of the State of New York without giving effect to any conflict of laws rule or principle that might require the application of the laws of another jurisdiction. Any dispute, claim, suit, action or other legal proceeding arising out of the transactions contemplated by this Agreement or the rights and obligations of each of the parties shall be brought only in a competent court in the State and City of New York or in the federal courts of the United States of America located in the Southern District of New York. The parties to this Agreement hereby irrevocably waive (i) any right to a jury trial and (ii) any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The parties executing this Agreement and other agreements referred to herein or delivered in connection herewith agree to submit to the in personam jurisdiction of such courts.** The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Documents by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

9.10 NO THIRD PARTY BENEFICIARIES. This Agreement is intended for the benefit of the parties hereto and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

[Signature Page to Follow.]

Your signature on this Signature Page evidences your agreement to be bound by the terms and conditions of the Registration Rights Agreement as of the date first written above. The undersigned signatory hereby certifies that he has read and understands the Registration Rights Agreement, and the representations made by the undersigned in this Registration Rights Agreement are true and accurate, and agrees to be bound by its terms.

TANGIERS GLOBAL, LLC

By: /s/ Michael Sobeck
Name: Michael Sobeck
Title: Managing Member

PARCELPAL TECHNOLOGY INC.

By: /s/ Rich Wheeless
Name: Rich Wheeless
Title: Chief Executive Officer

[SIGNATURE PAGE OF REGISTRATION RIGHTS AGREEMENT]

Exhibit 4.5

INVESTMENT AGREEMENT

This INVESTMENT AGREEMENT (the "**Agreement**"), dated as of December 14, 2020 (the "**Execution Date**"), is entered into by and between ParcelPal Technology Inc. (the "**Company**"), a British Columbia corporation organized under the laws of the Canada Business Corporations Act, with its principal executive offices at 190 Alexander St., Suite 305, Vancouver, BC V6A 2S5, and Tangiers Global, LLC (the "**Investor**"), a Wyoming limited liability company, with its principal executive offices at 53 Palmeras Street Suite 601, San Juan PR 00901.

RECITALS:

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Investor shall invest up to Five Million Dollars ($5,000,000) (the "**Commitment Amount**") to purchase the Company's Common Shares, no par value per share (the "**Common Shares**");

WHEREAS, such investments will be made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**1933 Act**"), Rule 506 of Regulation D promulgated by the SEC under the 1933 Act, and/or upon such other exemption from the registration requirements of the 1933 Act as may be available with respect to any or all of the investments in Common Shares to be made hereunder;

WHEREAS, such investments will also be made in reliance upon an exemption from the prospectus requirements of applicable securities laws in Canada; and

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the parties hereto are executing and delivering a Registration Rights Agreement substantially in the form attached hereto as Exhibit A (the "**Registration Rights Agreement**") pursuant to which the Company has agreed to provide certain registration rights under the 1933 Act, and the rules and regulations promulgated thereunder, and applicable state securities laws.

NOW THEREFORE, in consideration of the foregoing recitals, which shall be considered an integral part of this Agreement, the covenants and agreements set forth hereafter, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Investor hereby agree as follows:

SECTION I.
DEFINITIONS

For all purposes of and under this Agreement, the following terms shall have the respective meanings below, and such meanings shall be equally applicable to the singular and plural forms of such defined terms.

"**1933 Act**" shall have the meaning set forth in the recitals.

"**1934 Act**" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the SEC thereunder, all as the same will then be in effect.

"**Affiliate**" shall mean any individual or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another individual or entity as such terms are used in and construed under Rule 405 under the 1933 Act.

"**Agreement**" shall have the meaning set forth in the preamble.

"**Articles of Incorporation**" shall have the meaning set forth in Section 4.3.

"**By-laws**" shall have the meaning set forth in Section 4.3.

"**Certificate**" shall have the meaning set forth in Section 2.6.

"**Closing**" shall have the meaning set forth in Section 2.6.

"**Closing Date**" shall have the meaning set forth in Section 2.6.

"**Commitment Amount**" shall have the meaning set forth in the recitals. "**Commitment Fee Shares**" shall have the meaning set forth in Section 10.17.
"**Common Shares**" shall have the meaning set forth in the recitals. "**Company**" shall have the meaning set forth in the preamble.
"**DTC**" shall have the meaning set forth in Section 2.5.

"DWAC" shall mean Deposit and Withdrawal at Custodian service provided by the Depository Trust Company.

"**Effective Date**" shall mean the date the SEC declares effective under the 1933 Act the Registration Statement covering the Securities.

"**Execution Date**" shall have the meaning set forth in the preamble.

"**F-1 Filing Deadline**" shall have the meaning set forth in Section 10.17.

"**FAST**" shall have the meaning set forth in Section 2.5.

"**Investor**" shall have the meaning set forth in the preamble.

"**Material Adverse Effect**" shall have the meaning set forth in Section 4.1.

"**Maximum Common Share Issuance**" shall have the meaning set forth in Section 2.67.

"**Open Period**" shall mean the period beginning on and including the Trading Day immediately following the Effective Date and ending on the earlier to occur of (i) the date which is thirty-six
(36) months from the Effective Date; or (ii) termination of the Agreement in accordance with Section 8.

"**PCAOB**" shall have the meaning set forth in Section 4.6.

"**Pricing Period**" shall mean, with respect to a particular Put Notice, the five (5) consecutive Trading Days including and immediately following the applicable Put Notice Date.

"**Principal Market**" shall mean the New York Stock Exchange, the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the OTC Bulletin Board or the OTC Markets Group, whichever is the principal market on which the Common Shares are traded.

"**Purchase Amount**" shall mean the total amount being paid by the Investor on a particular Closing Date to purchase the Securities, calculated by multiplying the Purchase Price by the Put Amount.

"**Purchase Price**" shall mean the 85% of the lowest VWAP (defined below) of the Common Shares during the Pricing Period applicable to the Put Notice, provided, however, an additional 10% will be added to the discount of each Put if (i) the Company is not DWAC eligible and (ii) an additional 15% will be added to the discount of each Put if the Company is under DTC "chill" status on the applicable Put Notice Date.

"**Put**" shall have the meaning set forth in Section 2.2.

"**Put Amount**" shall have the meaning set forth in Section 2.3.

"**Put Notice**" shall mean a written notice sent to the Investor by the Company stating the Put Amount in U.S. dollars that the Company intends to sell to the Investor pursuant to the terms of the Agreement and stating the current number of Shares issued and outstanding on such date.

"**Put Notice Date**" shall mean the Trading Day on which the Investor receives a Put Notice, determined as follows: a Put Notice shall be deemed delivered on (a) the Trading Day it is received by electronic mail or otherwise by the Investor if such notice is received prior to 9:30 a.m. (Pacific time), or (b) the immediately succeeding Trading Day if it is received by electronic mail or otherwise after 9:30 a.m. (Pacific time) on a Trading Day. No Put Notice may be deemed delivered on a day that is not a Trading Day.

"Put Settlement Sheet" shall mean a written letter to the Company by the Investor, evidencing acceptance of the Put and providing instructions for delivery of the Securities to the Investor.

"Put Shares Due" shall mean the Shares to be sold to the Investor pursuant to the Put.

"**Registered Offering Transaction Documents**" shall mean this Agreement and the Registration Rights Agreement between the Company and the Investor as of the date herewith.

"**Registration Rights Agreement**" shall have the meaning set forth in the recitals.

"**Registration Statement**" or "**F-1**" means the registration statement of the Company filed under the 1933 Act covering the resale of the Securities issuable hereunder to the Investor, in the manner described in such Registration Statement.

"**Resolutions**" shall have the meaning set forth in Section 7.5.

"**SEC**" shall mean the U.S. Securities and Exchange Commission.

"**SEC Documents**" shall have the meaning set forth in Section 4.6.

"**Securities**" shall mean the Common Shares issued pursuant to the terms of the Agreement.

"**SEDAR**" shall mean the System for Electronic Document Analysis and Retrieval, a filing system developed for the Canadian Securities Administrators ("CSA") to facilitate the electronic filing of securities information as required by the CSA; allow for public dissemination of Canadian securities information collected in the securities filing process; and provide electronic communication between electronic filers, agents and the CSA.

"**SEDAR Documents**" shall mean, as of a particular date, all reports and other documents filed by the Company pursuant to applicable Canadian securities laws since the end of the Company's then most recently completed and reported fiscal year as of the time in question (provided that if the date in question is within ninety days of the beginning of the Company's fiscal year, the term shall include all documents filed since the beginning of the preceding fiscal year).

"**Shares**" shall mean the Common Shares of the Company.

"**Trading Day**" shall mean any day on which the Principal Market for the Common Shares is open for trading, from the hours of 9:30 am until 4:00 pm.

"VWAP" shall mean, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted for trading as reported by
(i) Bloomberg Financial L.P. or (ii) Stock Charts/Quote Media if the Investor does not promptly provide the Company the Bloomberg quote/pricing charts for the days involved upon the Company's request (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) and (b) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the Investor and to the Company.

"**Waiting Period**" shall have the meaning set forth in Section 2.3.

SECTION II
PURCHASE AND SALE OF COMMON SHARES

2.1 PURCHASE AND SALE OF COMMON SHARES. Subject to the terms and conditions set forth herein, the Company may issue and sell to the Investor, and the Investor shall purchase from the Company, up to that number of Shares having an aggregate Purchase Price of Five Million Dollars ($5,000,000).

2.2 DELIVERY OF PUT NOTICES. Subject to the terms and conditions of the Registered Offering Transaction Documents, and from time to time during the Open Period, the Company may, in its sole discretion, deliver to the Investor: (i) a Put Notice which states the share amount (designated in whole Common Shares of the Company), which the Company intends to sell to the Investor on a Closing date (the "**Put**"), and (ii) an issuance resolution, which shall be in the form as required by the Company's transfer agent. The Put Notice shall be in the form attached hereto as Exhibit B and incorporated herein by reference. The Investor shall deliver to the Company a Put Settlement Sheet on each applicable Closing Date. The Put Settlement Sheet shall be in the form attached hereto as Exhibit C and incorporated herein by reference.

2.3 PUT FORMULA. The maximum amount of Common Shares that the Company shall be entitled to Put to the Investor per any applicable Put Notice shall be an amount of shares up to or equal to two hundred percent (200%) of the average of the daily trading volume of the Common Shares for the ten (10) consecutive Trading Days immediately prior to the applicable Put Notice Date (the "**Put Amount**") so long as such amount is at least Five Thousand Dollars ($5,000) and does not exceed Two Hundred Fifty Thousand Dollars ($250,000), as calculated by multiplying the Put Amount by the average daily VWAP for the ten (10) consecutive Trading Days immediately prior to the applicable Put Notice Date. During the Open Period, the Company shall not be entitled to submit a Put Notice until after the previous Closing has been completed. Notwithstanding the foregoing, the Company may not deliver a Put Notice on or earlier of the tenth (10th) Trading Day immediately following the preceding Put Notice Date (the "**Waiting Period**"), unless a written waiver to deliver Put Notice during the Waiting Period is obtained by the Company from the Investor in advance.

2.4 CONDITIONS TO INVESTOR'S OBLIGATION TO PURCHASE SHARES. Notwithstanding anything to the contrary in this Agreement, the Company shall not be entitled to deliver a Put Notice and the Investor shall not be obligated to purchase any Shares at a Closing unless each of the following conditions are satisfied:

i. a Registration Statement shall have been declared effective and shall remain effective, usable and available for the resale of all the Put Shares Due at all times until the Closing with respect to the applicable Put Notice;

ii. at all times during the period beginning on the related Put Notice Date and ending on and including the related Closing Date, the Common Shares shall have been listed or quoted for trading on the Principal Market and shall not have been suspended from trading thereon during the Pricing Period (excluding suspensions of not more than one (1) Trading Day resulting from business announcements by the Company, provided that such suspensions occur prior to the Company's delivery of a Put Notice);

iii. the Company has complied with its obligations and is otherwise not in material breach of or in material default under, this Agreement, the Registration Rights Agreement or any other agreement executed in connection herewith which has not been cured prior to delivery to the Investor of the applicable Put Notice;

iv. no injunction shall have been issued and remain in force, or action commenced by a governmental authority which has not been stayed or abandoned, prohibiting the purchase or the issuance of the Securities; and

v. the issuance of the Securities will not violate any shareholder approval requirements of the Principal Market.

If any of the events described in clauses (i) through (v) above occurs during a Pricing Period, then the Investor shall have no obligation to purchase the Put Amount of Common Shares set forth in the applicable Put Notice.

2.5 MECHANICS OF PURCHASE OF SHARES BY INVESTOR. If the Company's transfer agent is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, and the Securities are eligible for inclusion in the FAST program, the Company shall use all commercially reasonable efforts to cause its transfer agent to electronically transmit the Securities to the Investor within one (1) Trading Day following delivery by the Company of a Put Notice by crediting the account of the Investor's prime broker, as specified by the Investor, with DTC through its DWAC or DRS service. If the Company is not DWAC or DRS eligible or the Company is under DTC "chill" on such Closing Date (defined below), the Company shall deliver to the Investor pursuant to this Agreement, certificate or certificates representing the Securities to be issued to the Investor on such date and registered in the name of the Investor (the "**Certificate**"). Subject to the satisfaction of the conditions set forth in Sections 2.6 and 7 of this Agreement, the closing of the purchase by the Investor of Securities (a "**Closing**") shall occur on the date which is no earlier than five (5) Trading Days following and no later than seven (7) Trading Days following the applicable Put Notice Date (each, a "**Closing Date**"). On such Closing, but not prior to receipt of confirmation of delivery of such Securities to the Investor, the Investor shall disburse the funds constituting the Purchase Amount to an account designated by the Company by wire transfer of (i) immediately available funds if the Investor receives the Securities by10:00 a.m. (Pacific time) or (ii) next day available funds if the Investor receives the Securities thereafter.

2.6 OVERALL LIMIT ON COMMON SHARES ISSUABLE. Notwithstanding anything contained herein to the contrary, if during the Open Period the Company becomes listed on an exchange that limits the number of Common Shares that may be issued without shareholder approval, if applicable, then the number of Shares issuable by the Company and purchasable by the Investor, shall not exceed that number of the Common Shares that may be issuable without shareholder approval (the "**Maximum Common Share Issuance**"). If such issuance of Common Shares could cause a delisting on the Principal Market, then the Maximum Common Share Issuance shall first be approved by the Company's shareholders in accordance with applicable law and the By-laws and the Articles of Incorporation of the Company, if such issuance of shares of Common Share could cause a delisting on the Principal Market. The parties understand and agree that the Company's failure to seek or obtain such shareholder approval shall in no way adversely affect the validity and due authorization of the issuance and sale of Securities or the Investor's obligation in accordance with the terms and conditions hereof to purchase a number of Shares in the aggregate up to the Maximum Common Share Issuance limitation, and that such approval pertains only to the applicability of the Maximum Common Share Issuance limitation provided in this Section 2.6.

2.7 LIMITATION ON AMOUNT OF OWNERSHIP. Notwithstanding anything to the contrary in this Agreement, in no event shall the Investor be entitled to purchase that number of Shares, which when added to the sum of the number of Common Shares beneficially owned (as such term is defined under Section 13(d) and Rule 13d-3 of the 1934 Act), by the Investor, would exceed 9.99% of the number of Common Shares outstanding on the Closing Date, as determined in accordance with Rule 13d-1(j) of the 1934 Act.

SECTION III
INVESTOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS

The Investor represents and warrants to the Company, and covenants, that:

3.1 SOPHISTICATED INVESTOR. The Investor has, by reason of its business and financial experience, such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that it is capable of (i) evaluating the merits and risks of an investment in the Securities and making an informed investment decision, and has so evaluated the merits and risks of such investment; (ii) protecting its own interest; and (iii) bearing the economic risk of such investment for an indefinite period of time. The Investor is not resident in Canada, it is not formed under the laws of Canada or any of its provinces or territories, and does not have a physical or operational presence in Canada other than occasional investments in publicly traded companies from time to time.

3.2 AUTHORIZATION; ENFORCEMENT. This Agreement and the purchase by the Investor of the Securities hereunder has been duly and validly authorized, executed and delivered on behalf of the Investor and constitutes the valid and binding agreement of the Investor enforceable against the Investor in accordance with its terms, subject as to enforceability to general principles of equity and to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

3.3 SECTION 9 OF THE 1934 ACT. During the term of this Agreement, the Investor will comply with the provisions of Section 9 of the 1934 Act, and the rules promulgated thereunder, with respect to transactions involving the Common Shares. The Investor agrees not to short sell or hedge the Company's stock either directly or indirectly through its affiliates, parent or subsidiary companies, principals or advisors, the Common Shares during the term of this Agreement. The Investor will only sell Company stock that it has in its possession.

3.4 ACCREDITED INVESTOR. The Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the 1933 Act or a "qualified institutional buyer" as defined in Rule 144A(a) under the 1933 Act, and has completed and provided to the Company the U.S. Accredited Investor Certificate, as set forth on Exhibit D to this Agreement. Investor is not a "disqualified investor" by virtue of the investor being subject to a "disqualifying event" as defined under Rule 506(b) through (e) of Regulation D of the 1933 Act as amended.

3.5 UNDERWRITER STATUS. The Investor is deemed an "underwriter" (as that term is defined in Section 2(a)(11) of the Securities Act) in connection with the registration of the Registrable Securities and will be identified as such in the Registration Statement. As an underwriter, the Investor will not have Rule 144 of the Securities Act available as a resale exemption from registration under the U.S. securities laws.

3.6 NO CONFLICTS. The execution, delivery and performance of the Registered Offering Transaction Documents by the Investor and the consummation by the Investor of the transactions contemplated hereby and thereby will not (i) result in a violation of limited liability company agreement or other organizational documents of the Investor and/or (ii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Investor, except in the case of this clause (ii), for such that are not material and do not otherwise affect the ability of such Investor to consummate the transactions contemplated hereby. The business of the Investor is not being conducted, and shall not be conducted, in violation of any law, statute, ordinance, rule, order or regulation of any governmental authority or agency, regulatory or self-regulatory agency, or court, except for violations the sanctions for which either, individually or in the aggregate, would not have or reasonably be expected to have a material adverse effect on the Investor. Except as specifically contemplated by this Agreement and as required under the 1933 Act or any securities laws of any states, to the Investor's knowledge, the Investor is not required to obtain any consent, authorization, permit or order of, or make any filing or registration (except the filing of a registration statement as outlined in the Registration Rights Agreement) with, any court, governmental authority or agency, regulatory or self-regulatory agency or other third party in order for it to execute, deliver or perform any of its obligations under, or contemplated by, the Registered Offering Transaction Documents in accordance with the terms hereof or thereof except for those consents, authorizations, permits, orders or filings as have been obtained or effected on or prior to the date hereof and are in full force and effect as of the date hereof.

3.7 OPPORTUNITY TO DISCUSS. The Investor has had access to and received all materials and information relating to the Company's business, finance and operations which it has requested. The Investor has had an opportunity to discuss the business, management and financial affairs of the Company with the Company's management in order to evaluate the merits and risks of investing in the Securities.

3.8 INVESTMENT PURPOSES. The Investor is purchasing the Securities for its own account for investment purposes and not with a view towards distribution and agrees to resell or otherwise dispose of the Securities solely in accordance with the registration provisions of the 1933 Act (or pursuant to an exemption from such registration provisions) and in compliance with applicable federal and state securities laws.

3.9 NO REGISTRATION AS A DEALER. The Investor is not engaged in the business of being a broker-dealer and will not be required to be registered as a "dealer" under the 1934 Act, either as a result of its execution and performance of its obligations under this Agreement or otherwise.

3.10 GOOD STANDING. The Investor is a limited liability company, duly organized, validly existing and in good standing in the State of Wyoming with the requisite corporate, partnership or other power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder.

3.11 TAX LIABILITIES. The Investor understands that it is liable for its own tax liabilities and that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Investor in connection with the purchase of the Securities constitutes legal, tax or investment advice.

3.12 REGULATION M. The Investor will comply and be solely responsible with the requirements of Regulation M under the 1934 Act, if applicable.

3.13 GENERAL SOLICITATION. The Investor is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

3.14 TRANSFER RESTRICTIONS. The Securities may only be disposed of in compliance with federal and state securities laws of the United States. In connection with any transfer of Securities, other than pursuant to an effective registration statement, to the Company or to an affiliate of the Investor, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the 1933 Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of the Investor under this Agreement and the Registration Rights Agreement, as to issued Securities only.

3.15 ACKNOWLEDGEMENTS OF THE INVESTOR (for applicable Canadian law compliance):

The Investor acknowledges the following:

(i) no securities commission or similar regulatory authority in Canada has reviewed or passed on the merits of the Securities under this Agreement;

(ii) there is risk associated with the purchase of the securities of the Company;

(iii) there are restrictions on an Investor's ability to resell the Securities in Canada and it is the responsibility of the Investor to find out what those restriction are and to comply with them before selling the Securities; and

(iv) the Company is relying on an exemption from the requirements to provide the purchaser with a prospectus and to sell securities through a person registered to sell Securities under the applicable securities laws of Canada and, as a consequence of acquiring Securities pursuant to this exemption, certain protections, rights and remedies provided by applicable securities laws in Canada including statutory rights of rescission or damages, will not be available to the Investor.

(v) Canadian securities laws restrict the trading of the Securities for a period of four months and one day from their date of issue and as such the Securities may not be traded on the Canadian Securities Exchange ("**CSE**") and otherwise in Canada until the date which is four months and one day from the date of issuance of the Securities. The Company and its transfer agent will take any necessary action to enforce these restrictions and all Securities issuable hereunder may not be offered and sold in Canada, through the facilities of the CSE or any other Principal Market in Canada, or otherwise, directly or indirectly before such date, failing which the Investor will be in violation of Canadian securities legislation. Any shares to be issued in Canada at a date that is less than four months and one day from such Closing Date, and which are not covered by the Registration Statement, will bear the following legends:

(vi) "Unless permitted under securities legislation, the holder of the securities shall not trade the securities before the date that is 4 months and 1 day following Closing Date."

(vii) "Without prior written approval of the CSE and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the CSE or otherwise in Canada or to or for the benefit of a Canadian resident before [insert date that is four months and one day following the distribution date]."

(viii) Except as otherwise set forth in this Agreement, no persons has made written or oral representation: (a) that any person will resell or repurchase the Securities, (b) that any person will refund the purchase price of the Securities, (c) as to the future price or value of the Securities; and (iv) that the Securities will be listed and posted for trading on any stock exchange or that application has been made to list the Securities on any stock exchange other than the OTCQB.

SECTION IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Schedules attached hereto, or as disclosed on the Company's SEC Documents (and/or as disclosed on the Company's SEDAR Documents for such information and documents filed on SEDAR prior to the date that the Company became SEC compliant under the 1934 Act), the Company represents and warrants to the Investor that:

4.1 ORGANIZATION AND QUALIFICATION. The Company is a corporation duly organized and validly existing in good standing under applicable laws of Canada and has the requisite corporate power and authorization to own its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means a change, event, circumstance, effect or state of facts that has had or is reasonably likely to have, a material adverse effect on the business, properties, assets, operations, results of operations, financial condition or prospects of the Company, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements and instruments to be entered into in connection herewith, or on the authority or ability of the Company to perform its obligations under the Registered Offering Transaction Documents.

4.2 AUTHORIZATION; ENFORCEMENT; COMPLIANCE WITH OTHER INSTRUMENTS.

i. The Company has the requisite corporate power and authority to enter into and perform the Registered Offering Transaction Documents, and to issue the Securities in accordance with the terms hereof and thereof.

ii. The execution and delivery of the Registered Offering Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including without limitation the issuance of the Securities pursuant to this Agreement, have been duly and validly authorized by the Company's board of directors and no further consent or authorization is required by the Company, its board of directors, or its shareholders.

iii. The Registered Offering Transaction Documents have been duly and validly executed and delivered by the Company.

iv. The Registered Offering Transaction Documents constitute the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

4.3 CAPITALIZATION. As of the date hereof, the authorized capital stock of the Company consists of an unlimited number of common shares, no par value per share, of which 95,207,409 were issued and outstanding as of December 11, 2020. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and non-assessable.

Except as disclosed in the Company's publicly available filings with the SEC and/or SEDAR (as the case may be), or as otherwise set forth on Schedule 4.3:

i. no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company;

ii. there are no outstanding debt securities;

iii. there are no outstanding shares of capital stock, options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company;

iv. there are no agreements or arrangements under which the Company is obligated to register the sale of any of their securities under the 1933 Act (except the Registration Rights Agreement);

v. there are no outstanding securities of the Company which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company is or may become bound to redeem a security of the Company;

vi. there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities as described in this Agreement;

vii. the Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and

viii. there is no dispute as to the classification of any shares of the Company's capital stock.

The Company has furnished to the Investor, or the Investor has had access through EDGAR and/or SEDAR (as applicable) to, true and correct copies of the Company's Articles of Incorporation, as in effect on the date hereof (the "**Articles of Incorporation**"), and the Company's By-laws, as in effect on the date hereof (the "**By-laws**"), and the terms of all securities convertible into or exercisable for Common Shares and the material rights of the holders thereof in respect thereto.

4.4 ISSUANCE OF SHARES. The Company is authorized to issue an unlimited numbers of common shares voting and participating, without par value per share. Upon issuance in accordance with this Agreement, the Securities will be validly issued, fully paid for and non-assessable and free from all taxes, liens and charges with respect to the issue thereof.

4.5 NO CONFLICTS. The execution, delivery and performance of the Registered Offering Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) result in a violation of the Articles of Incorporation or the By- laws; or (ii) conflict with, or constitute a material default (or an event which with notice or lapse of time or both would become a material default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, contract, indenture mortgage, indebtedness or instrument to which the Company is a party, or to the Company's knowledge result in a violation of any law, rule, regulation, order, judgment or decree (including United States federal and state securities laws and regulations and the rules and regulations of the Principal Market or principal securities exchange or trading market on which the Common Shares are traded or listed) applicable to the Company or by which any property or asset of the Company is bound or affected. The Company is not in violation of any term of, or in default under, the Articles of Incorporation or the By-laws or its organizational charter or by-laws, respectively, or any contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company, except for possible conflicts, defaults, terminations, amendments, accelerations, cancellations and violations that would not individually or in the aggregate have or constitute a Material Adverse Effect. To the knowledge of the Company, the business of the Company is not being conducted, and shall not be conducted, in violation of any law, statute, ordinance, rule, order or regulation of any governmental authority or agency, regulatory or self-regulatory agency, or court, except for possible violations the sanctions for which either individually or in the aggregate would not be likely to have a Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the 1933 Act, any securities laws of any states, or any other jurisdiction to which the Company is subject, to the Company's knowledge, the Company is not required to obtain any consent, authorization, permit or order of, or make any filing or registration (except the filing of a registration statement as outlined in the Registration Rights Agreement between the parties) with, any court, governmental authority or agency, regulatory or self-regulatory agency or other third party in order for it to execute, deliver or perform any of its obligations under, or contemplated by, the Registered Offering Transaction Documents in accordance with the terms hereof or thereof, except for the filing with and approval of the Registration Statement with the SEC. All consents, authorizations, permits, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof and are in full force and effect as of the date hereof. The Company is unaware of any facts or circumstances which might give rise to any of the foregoing. The Company is not, and will not be, in violation of the listing requirements of the Principal Market as in effect on the date hereof and on each of the Closing Dates and is not aware of any facts which would reasonably lead to delisting of the Common Shares by the Principal Market in the foreseeable future.

4.6 SEC/SEDAR DOCUMENTS; FINANCIAL STATEMENTS. As of the date hereof, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act and on SEDAR pursuant to applicable Canadian securities laws (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein, and amendments thereto, being hereinafter referred to as the "**SEC Documents**"). The Company has delivered to the Investor or its representatives, or they have had access through EDGAR and/or SEDAR, as applicable, to true and complete copies of the SEC Documents. As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents (and as applicable, the documents filed on SEDAR in accordance with applicable Canadian securities laws, and none of the SEC Documents, at the time they were filed with the SEC or on SEDAR or the time they were amended, if amended, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with the International Financial Reporting Standards, by a firm that is a member of the Public Companies Accounting Oversight Board ("**PCAOB**") consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other written information provided by or on behalf of the Company to the Investor which is not included in the SEC Documents, including, without limitation, information referred to in Section 4.3 of this Agreement, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstance under which they are or were made, not misleading. To the Company's knowledge, neither it nor any of its officers, directors, employees or agents have provided the Investor with any material, nonpublic information which was not publicly disclosed prior to the date hereof and any material, nonpublic information provided to the Investor by the Company or any of their officers, directors, employees or agents prior to any Closing Date shall be publicly disclosed by the Company prior to such Closing Date.

4.7 ABSENCE OF CERTAIN CHANGES. Except as otherwise set forth in the SEC Documents and/or any press releases, the Company does not intend to change the business operations of the Company in any material way. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings.

4.8 ABSENCE OF LITIGATION AND/OR REGULATORY PROCEEDINGS. Except as set forth in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of Company, threatened against or affecting the Company, the Common Shares or any of the Company's officers or directors in their capacities as such, in which an adverse decision could have a Material Adverse Effect.

4.9 ACKNOWLEDGMENT REGARDING INVESTOR'S PURCHASE OF SHARES. The Company acknowledges and agrees that the Investor is acting solely in the capacity of an arm's length purchaser with respect to the Registered Offering Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Registered Offering Transaction Documents and the transactions contemplated hereby and thereby and any advice given by the Investor or any of its respective representatives or agents in connection with the Registered Offering Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Investor's purchase of the Securities, and is not being relied on by the Company. The Company further represents to the Investor that the Company's decision to enter into the Registered Offering Transaction Documents has been based solely on the independent evaluation by the Company and its representatives.

4.10 NO UNDISCLOSED EVENTS, LIABILITIES, DEVELOPMENTS OR CIRCUMSTANCES. Except as set forth in the SEC Documents or required with respect to the Registered Offering Transaction Documents, as of the date hereof, no event, liability, development or circumstance has occurred or exists, or to the Company's knowledge is contemplated to occur, with respect to the Company or its business, properties, assets, prospects, operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws on a registration statement filed with the SEC relating to an issuance and sale by the Company of its Common Shares and which has not been publicly announced.

4.11 EMPLOYEE RELATIONS. The Company is not involved in any union labor dispute nor, to the knowledge of the Company, is any such dispute threatened. The Company is not a party to a collective bargaining agreement, and the Company believes that relations with its employees are good. No executive officer (as defined in Rule 501(f) of the 1933 Act) has notified the Company that such officer intends to leave the Company's employ or otherwise terminate such officer's employment with the Company.

4.12 INTELLECTUAL PROPERTY RIGHTS. The Company owns or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights necessary to conduct their respective businesses as now conducted. Except as set forth in the SEC Documents, none of the Company's trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, government authorizations, trade secrets or other intellectual property rights necessary to conduct its business as now or as proposed to be conducted have expired or terminated, or are expected to expire or terminate within two (2) years from the date of this Agreement, except as to certain trademarks that may remain pending.

The Company does not have any knowledge of any infringement by the Company of trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and, except as set forth in the SEC Documents, there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement; and the Company is unaware of any facts or circumstances which might give rise to any of the foregoing. The Company has taken commercially reasonable security measures to protect the secrecy, confidentiality and value of all of its intellectual properties.

4.13 [Reserved].

4.14 TITLE. The Company has good and marketable title to all personal property owned by it which is material to the business of the Company, free and clear of all liens, encumbrances and defects except such as are described in the SEC Documents or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company. Any real property and facilities held under lease by the Company is held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company.

4.15 INSURANCE. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company reasonably believes to be prudent and customary in the businesses in which the Company is engaged. The Company has not been refused any insurance coverage sought or applied for and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

4.16 REGULATORY PERMITS. The Company has in full force and effect all certificates, approvals, authorizations and permits from the appropriate federal, state, local or foreign regulatory authorities and comparable foreign regulatory agencies, necessary to own, lease or operate their respective properties and assets and conduct their respective businesses in the manner currently being conducted, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, approval, authorization or permit, except for such certificates, approvals, authorizations or permits which if not obtained, or such revocations or modifications which, would not have a Material Adverse Effect.

4.17 INTERNAL ACCOUNTING CONTROLS. Except as otherwise set forth in the SEC Documents, the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles by a firm with membership to the PCAOB and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company's management has determined that the Company's internal accounting controls were not effective as of the date of this Agreement as further described in the SEC Documents.

4.18 NO MATERIALLY ADVERSE CONTRACTS, ETC. The Company is not subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company's officers has or is expected in the future to have a Material Adverse Effect. The Company is not a party to any contract or agreement which in the judgment of the Company's officers has or is expected to have a Material Adverse Effect.

4.19 TAX STATUS. The Company has made or filed all income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. The Company has not received written notice of unpaid taxes in any material amount claimed by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

4.20 CERTAIN TRANSACTIONS. Except as set forth in the SEC Documents and except for transactions pursuant to which the Company makes payments in the ordinary course of business upon terms no less favorable than the Company could obtain from disinterested third parties and other than the grant of stock options disclosed in the SEC Documents, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company (other than for services as employees, consultants, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, such that disclosure would be required in the SEC Documents..

4.21 DILUTIVE EFFECT. The Company understands and acknowledges that the number of Common Shares issuable upon purchases pursuant to this Agreement will increase in certain circumstances including, but not necessarily limited to, the circumstance wherein the trading price of the Common Share declines during the period between the Effective Date and the end of the Open Period. The Company's executive officers and directors have studied and fully understand the nature of the transactions contemplated by this Agreement and recognize that they have a potential dilutive effect on the shareholders of the Company. The board of directors of the Company has concluded, in its good faith business judgment, and with full understanding of the implications, that such issuance is in the best interests of the Company. The Company specifically acknowledges that, subject to such limitations as are expressly set forth in the Registered Offering Transaction Documents, its obligation to issue shares of Common Share upon purchases pursuant to this Agreement is absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholders of the Company.

4.22 NO GENERAL SOLICITATION. Neither the Company, nor any of its affiliates, nor any person acting on its behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Common Shares to be offered as set forth in this Agreement.

4.23 NO BROKERS, FINDERS OR FINANCIAL ADVISORY FEES OR COMMISSIONS. No brokers, finders or financial advisory fees or commissions will be payable by the Company, or its agents, with respect to the transactions contemplated by this Agreement.

SECTION V
COVENANTS OF THE COMPANY

5.1 BEST EFFORTS. The Company shall use all commercially reasonable efforts to timely satisfy each of the conditions set forth in Section 7 of this Agreement.

5.2 REPORTING STATUS. Until one of the following occurs, the Company shall concurrently file all reports with the SEC and SEDAR as and when required to be filed pursuant to applicable U.S. and Canadian law, and the Company shall not terminate its status, or take an action or fail to take any action, which would terminate its status as a reporting company under the 1934 Act or applicable Canadian securities law: (i) this Agreement terminates pursuant to Section 8 and the Investor has the right to sell all of the Securities without volume restrictions pursuant to Rule 144, if available, promulgated under the 1933 Act, or such other available exemption, or (ii) the date on which the Investor has sold all the Securities and this Agreement has been terminated pursuant to Section 8.

5.3 USE OF PROCEEDS. The Company will use the proceeds from the sale of the Securities (excluding amounts paid or to be paid by the Company for fees as set forth in the Registered Offering Transaction Documents, if any) for general corporate and working capital purposes, for acquisitions of assets, businesses or operations or for other purposes that the board of directors of the Company, in its good faith deem to be in the best interest of the Company and its shareholders.

5.4 FINANCIAL INFORMATION. During the Open Period, the Company agrees to make available to the Investor via EDGAR, SEDAR or other electronic means the following documents and information on the forms set forth: (i) within five (5) Trading Days after the filing thereof, a copy of its Annual Reports on Form 20-F, and any reports on Form 6-K and any Registration Statements or amendments filed pursuant to the 1933 Act; (ii) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders; and (iii) within two (2) calendar days of filing or delivery thereof, copies of all documents filed with, and all correspondence sent to, the Principal Market, any securities exchange or market, or the Financial Industry Regulatory Association, unless such information is material nonpublic information.

5.5 [Reserved].

5.6 LISTING. The Company shall use all commercially reasonable efforts to promptly secure and maintain the listing of all of the Registrable Securities (as defined in the Registration Rights Agreement) on the Principal Market and each other national securities exchange and automated quotation system, if any, upon which shares of Common Share are then listed (subject to official notice of issuance) and shall maintain, such listing of all Registrable Securities from time to time issuable under the terms of the Registered Offering Transaction Documents. The Company shall not take any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on the Principal Market (excluding suspensions of not more than one (1) Trading Day resulting from business announcements by the Company). The Company shall promptly provide to the Investor copies of any notices it receives from the Principal Market regarding the continued eligibility of the Common Shares for listing on such automated quotation system or securities exchange. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 5.6.

5.7 FILING OF FORM 6-K. On or before the date which is four (4) Trading Days after the Execution Date, the Company shall file a report on Form 6-K with the SEC describing the terms of the transaction contemplated by the Registered Offering Transaction Documents in the form required by the 1934 Act, if such filing is required.

5.8 CORPORATE EXISTENCE. The Company shall use all commercially reasonable efforts to preserve and continue the corporate existence of the Company.

5.9 NOTICE OF CERTAIN EVENTS AFFECTING REGISTRATION; SUSPENSION OF RIGHT TO MAKE A PUT. The Company shall promptly notify the Investor upon the occurrence of any of the following events in respect of a Registration Statement or related prospectus in respect of an offering of the Securities: (i) receipt of any request for additional information by the SEC or any other federal or state governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to the Registration Statement or related prospectus; (ii) the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Securities for sale in any jurisdiction or the initiation or notice of any proceeding for such purpose; (iv) the happening of any event that makes any statement made in such Registration Statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related prospectus or documents so that, in the case of a Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the related prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (v) the Company's reasonable determination that a post-effective amendment or supplement to the Registration Statement would be appropriate, and the Company shall promptly make available to Investor any such supplement or amendment to the related prospectus. The Company shall not deliver to Investor any Put Notice during the continuation of any of the foregoing events in this Section 5.9.

5.10 TRANSFER AGENT. Upon effectiveness of the Registration Statement, and for so long as the Registration Statement is effective, following delivery of a Put Notice, the Company shall deliver instructions to its transfer agent to issue Shares to the Investor that are covered for resale by the Registration Statement free of restrictive legends.

5.11 ACKNOWLEDGEMENT OF TERMS. The Company hereby represents and warrants to the Investor that: (i) it is voluntarily entering into this Agreement of its own freewill, (ii) it is not entering this Agreement under economic duress, (iii) the terms of this Agreement are reasonable and fair to the Company, and (iv) the Company has had independent legal counsel of its own choosing review this Agreement, advise the Company with respect to this Agreement, and represent the Company in connection with this Agreement.

SECTION VI
CONDITIONS OF THE COMPANY'S ELECTION TO SELL

There is no obligation hereunder of the Company to issue and sell the Securities to the Investor. However, an election by the Company to issue and sell the Securities hereunder, from time to time as permitted hereunder, is further subject to the satisfaction, at or before each Closing Date, of each of the following conditions set forth below. These conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion.

6.1 The Investor shall have executed this Agreement and the Registration Rights Agreement and delivered the same to the Company.

6.2 The Investor shall have delivered to the Company the Purchase Price for the Securities being purchased by the Investor between the end of the Pricing Period and the Closing Date via a Put Settlement Sheet; and the Investor shall have delivered to the Company a Put Settlement Sheet in the form attached here to as Exhibit C on each applicable Closing Date.

6.3 The representations and warranties of the Investor shall be true and correct in all material respects as of the date when made and as of the applicable Closing Date as though made at that time and the Investor shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Registered Offering Transaction Documents to be performed, satisfied or complied with by the Investor on or before such Closing Date.

6.4 No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

SECTION VII
FURTHER CONDITIONS OF THE INVESTOR'S OBLIGATION TO PURCHASE

The obligation of the Investor hereunder to purchase Securities is subject to the satisfaction, on or before each Closing Date, of each of the following conditions set forth below.

7.1 The Company shall have executed the Registered Offering Transaction Documents and delivered the same to the Investor.

7.2 The Common Shares shall be authorized for quotation on the Principal Market and trading in the Common Shares shall not have been suspended by the Principal Market, the SEC, or the CSE, at any time beginning on the date hereof and through and including the respective Closing Date (excluding suspensions of not more than one (1) Trading Day resulting from business announcements by the Company, provided that such suspensions occur prior to the Company's delivery of the Put Notice related to such Closing).

7.3 The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the applicable Closing Date as though made at that time and the Company shall have materially performed, satisfied and complied with the covenants, agreements and conditions required by the Registered Offering Transaction Documents to be performed, satisfied or complied with by the Company on or before such Closing Date. The Investor may request an update as of such Closing Date regarding the representation contained in Section 4.3.

7.4 The Company shall have executed and delivered to the Investor the certificate or certificates representing, or have executed electronic book-entry transfer of, the Securities (in such denominations as the Investor shall request) being purchased by the Investor at such Closing.

7.5 The board of directors of the Company shall have adopted resolutions consistent with Section 4.2(ii) (the "**Resolutions**") and such Resolutions shall not have been materially amended or rescinded prior to such Closing Date.

7.6 No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

7.7 The Registration Statement shall be effective and useable on each Closing Date and no stop order suspending the effectiveness of the Registration statement shall be in effect or to the Company's knowledge shall be pending or threatened. Furthermore, on each Closing Date (i) neither the Company nor the Investor shall have received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened to do so (unless the SEC's concerns have been addressed), and (ii) no other suspension of the use or withdrawal of the effectiveness of such Registration Statement or related prospectus shall exist.

7.8 At the time of each Closing, the Registration Statement (including information or documents incorporated by reference therein) and any amendments or supplements thereto shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or which would require public disclosure or an updated supplement to the prospectus.

7.9 [Reserved].

7.10 The conditions to such Closing set forth in Section 2.4 shall have been satisfied on or before such Closing Date.

7.11 The Company shall have certified to the Investor the number of Common Shares outstanding when a Put Notice is given to the Investor. The Company's delivery of a Put Notice to the Investor constitutes the Company's certification of the existence of the necessary number of Common Shares reserved for issuance.

SECTION VIII
TERMINATION

This Agreement shall terminate upon any of the following events:

i. when the Investor has purchased an aggregate of Five Million Dollars ($5,000,000) in the Common Shares of the Company pursuant to this Agreement;

ii. on the date which is thirty-six (36) months after the Effective Date; or

iii. at such time that the Registration Statement is no longer in effect; or

iv. at any time at the election of the Company upon 15 days written notice.

Any and all shares, or penalties, if any, due under this Agreement shall be immediately payable and due upon termination of this Agreement.

SECTION IX
SUSPENSION

This Agreement shall be suspended upon any of the following events, and shall remain suspended until such event is rectified:

i. The trading of the Common Shares is suspended by the SEC, the CSE, the Principal Market or FINRA for a period of two (2) consecutive Trading Days during the Open Period, but following the lifting of any suspension under this clause I, then this Agreement shall be immediately reinstated and effective until its earlier termination or expiration; or,

ii. During the Open Period the Common Shares ceases to be registered under the 1934 Act or listed or traded on the Principal Market or the Registration Statement is no longer effective (except as permitted hereunder).

Immediately upon the occurrence of one of the above-described events, the Company shall send written notice of such event to the Investor. Immediately upon the occurrence of one of the above-described event items (i) or (ii) of this Section IX, the Company shall send written notice of such event to the Investor. Upon the rectifying, curing or the lifting of an suspension/event noted in items (i) or (ii) above, the Company shall send written notice (which may take the form of an email) to Investor, the date of which (or the cure date set forth in such notice) shall be the date that the Agreement shall be once again effective.

SECTION X
MISCELLANEOUS

10.1 LAW GOVERNING THIS AGREEMENT. This Agreement shall be governed by, and construed and interpreted in accordance with, the substantive laws of the State of New York without giving effect to any conflict of laws rule or principle that might require the application of the laws of another jurisdiction. Any dispute, claim, suit, action or other legal proceeding arising out of the transactions contemplated by this Agreement or the rights and obligations of each of the parties shall be brought only in a competent court in State and City of New York or in the federal courts of the United States of America located in the Southern District of New York. The parties to this Agreement hereby irrevocably waive (i) any right to a jury trial and (ii) any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The parties executing this Agreement and other agreements referred to herein or delivered in connection herewith agree to submit to the in personam jurisdiction of such courts.** In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Documents by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

10.2 LEGAL FEES; AND MISCELLANEOUS FEES. Except as set forth in the Registered Offering Transaction Documents (including but not limited to Section 5 of the Registration Rights Agreement), each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. Any attorneys' fees and expenses incurred by either the Company or the Investor in connection with the preparation, negotiation, execution and delivery of any amendments to this Agreement or relating to the enforcement of the rights of any party, after the occurrence of any breach of the terms of this Agreement by another party or any default by another party in respect of the transactions contemplated hereunder, to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, expense or liability resulted directly from any such act or failure to act undertaken or omitted to be taken by such party through its gross negligence or willful misconduct, shall be paid on demand by the party which breached the Agreement and/or defaulted, as the case may be. The Company shall pay all stamp and other taxes and duties levied in connection with the issuance of any Securities.

10.3 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission, PDF, electronic signature or other similar electronic means with the same force and effect as if such signature page were an original thereof.

10.4 HEADINGS; SINGULAR/PLURAL. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and masculine shall include the feminine.

10.5 SEVERABILITY. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

10.6 ENTIRE AGREEMENT; AMENDMENTS. This Agreement is the final Agreement between the Company and the Investor with respect to the terms and conditions set forth herein, and, the terms of this Agreement may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties.

10.7 NOTICES. Any notices or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by electronic mail (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and email addresses for such communications shall be:

If to the Company:	ParcelPal Technology Inc. 190 Alexander St., Suite 305 Vancouver, BC V6A 2S5Attn: Rich Wheeless, CEO Email: rich@parcelpal.com
If to the Investor:	Tangiers Global, LLC 53 Palmeras Street Suite 601 San Juan PR 00901 Email: compliance@tangierscapital.com

Each party shall provide five (5) business days prior written notice to the other party of any change in address or email address.

10.8 NO ASSIGNMENT. This Agreement may not be assigned.

10.9 NO THIRD PARTY BENEFICIARIES. This Agreement is intended for the benefit of the parties hereto and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

10.10 SURVIVAL. The representations and warranties of the Company and the Investor contained in Sections 3 and 4, the agreements and covenants set forth in Section 5 and this Section 11, shall survive each of the Closings and the termination of this Agreement.

10.11 PUBLICITY. The Company and the Investor shall consult with each other in issuing any press releases or otherwise making public statements with respect to the transactions contemplated hereby and no party shall issue any such press release or otherwise make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed, except that no prior consent shall be required if such disclosure is required by law, as determined solely by the Company in consultation with its counsel. The Investor acknowledges that this Agreement and all or part of the Registered Offering Transaction Documents may be deemed to be "material contracts" as that term is defined by Item 601(b)(10) of Regulation S-K, and that the Company may therefore be required to file such documents as exhibits to reports or registration statements filed under the 1933 Act or the 1934 Act. The Investor further agrees that the status of such documents and materials as material contracts shall be determined solely by the Company, in consultation with its counsel.

10.12 EXCLUSIVITY. The Company shall not pursue an equity line transaction similar to the transactions contemplated in this Agreement with any other person or entity until the earlier of (i) the Effective Date and (ii) termination of this Agreement in accordance with Section 8.

10.13 FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

10.14 NO STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party, as the parties mutually agree that each has had a full and fair opportunity to review this Agreement and seek the advice of counsel on it.

10.15 REMEDIES. The Investor shall have all rights and remedies set forth in this Agreement and the Registration Rights Agreement and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which the Investor has by law. Any person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any default or breach of any provision of this Agreement, including the recovery of reasonable attorney's fees and costs, and to exercise all other rights granted by law.

10.16 PAYMENT SET ASIDE. To the extent that the Company makes a payment or payments to the Investor hereunder or under the Registration Rights Agreement or the Investor enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

10.17 COMMITMENT FEE SHARES. Upon entry into this Investment Agreement, the Company commits to issue to the Investor 250,000 of its Common Shares as a commitment fee for this financing facility (the "**Commitment Fee Shares**"), which shall be issued and delivered to Investor within ten (10) Trading Days of the Execution Date. The Company agrees that the issuance of the Commitment Fee Shares is a material obligation and that the Commitment Fee Shares are considered fully-earned as of the Execution Date of this Agreement, regardless of whether or not the Company files the F-1 or is successful in having it deemed effective by the SEC.

SECTION XI
NON-DISCLOSURE OF NON-PUBLIC INFORMATION

The Company shall not disclose non-public information to the Investor, its advisors, or its representatives.

Nothing in the Registered Offering Transaction Documents shall require or be deemed to require the Company to disclose non-public information to the Investor or its advisors or representatives, and the Company represents that it does not disseminate non-public information to any investors who purchase stock in the Company in a public offering, to money Managing Members or to securities analysts, provided, however, that notwithstanding anything herein to the contrary, the Company will, as hereinabove provided, immediately notify the advisors and representatives of the Investor and, if any, underwriters, of any event or the existence of any circumstance (without any obligation to disclose the specific event or circumstance) of which it becomes aware, constituting non-public information (whether or not requested of the Company specifically or generally during the course of due diligence by such persons or entities), which, if not disclosed in the prospectus included in the Registration Statement would cause such prospectus to include a material misstatement or to omit a material fact required to be stated therein in order to make the statements, therein, in light of the circumstances in which they were made, not misleading. Nothing contained in this Section 12 shall be construed to mean that such persons or entities other than the Investor (without the written consent of the Investor prior to disclosure of such information) may not obtain non- public information in the course of conducting due diligence in accordance with the terms of this Agreement and nothing herein shall prevent any such persons or entities from notifying the Company of their opinion that based on such due diligence by such persons or entities, that the Registration Statement contains an untrue statement of material fact or omits a material fact required to be stated in the Registration Statement or necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

SECTION XII
ACKNOWLEDGEMENTS OF THE PARTIES

Notwithstanding anything in this Agreement to the contrary, the parties hereto hereby acknowledge and agree to the following: (i) the Investor makes no representations or covenants that it will not engage in trading in the securities of the Company, other than the Investor will not short or pre-sell, either directly or indirectly through its affiliates, principals or advisors, the Common Shares at any time during the Open Period; (ii) the Company shall comply with its obligations under Section 5.8 in a timely manner; (iii) the Company has not and shall not provide material non-public information to the Investor unless prior thereto the Investor shall have executed a written agreement regarding the confidentiality and use of such information; and (iv) the Company understands and confirms that the Investor will be relying on the acknowledgements set forth in clauses (i) through (iii) above if the Investor effects any transactions in the securities of the Company.

[Signature Page to Follow.]

Your signature on this Signature Page evidences your agreement to be bound by the terms and conditions of the Investment Agreement as of the date first written above. The undersigned signatory hereby certifies that he has read and understands the Investment Agreement, and the representations made by the undersigned in this Investment Agreement are true and accurate, and agrees to be bound by its terms.

TANGIERS GLOBAL, LLC

By: /s/ Michael Sobeck
Name: Michael Sobeck
Title: Managing Member

PARCELPAL TECHNOLOGY INC.

By: /s/ Rich Wheeless
Name: Rich Wheeless
Title: Director

[SIGNATURE PAGE OF INVESTMENT AGREEMENT]

LIST OF EXHIBITS

EXHIBIT A	Registration Rights Agreement
EXHIBIT B	Put Notice
EXHIBIT C	Put Settlement Sheet
EXHIBIT D	U.S. Accredited Investor Certificate

EXHIBIT A

REGISTRATION RIGHTS AGREEMENT

See attached.

EXHIBIT B

FORM OF PUT NOTICE

Date:

RE: Put Notice Number __

Dear Mr. _____,

This is to inform you that as of today, ParcelPal Technology Inc., a British Columbia corporation (the "Company"), hereby elects to exercise its right pursuant to the Investment Agreement to require Tangiers Global, LLC to purchase shares of its Common Share. The Company hereby certifies that:

Put Amount in Shares _____.

The Pricing Period runs from _____ until _____.

The current number of Common Shares issued and outstanding is: _____.

The number of shares currently available for resale on the F-1 is: _____.

Regards,

ParcelPal Technology Inc.

By:_____

Name:

Title:

EXHIBIT C

PUT SETTLEMENT SHEET

Date: _____

Dear _____,

Pursuant to the Put given by ParcelPal Technology Inc., a British Columbia corporation organized under the laws of the Canada Business Corporations Act (the "Company"), to Tangiers Global, LLC (the "Investor") on _____ , 202_, we are now submitting the purchase price for the Common Shares.

Purchase Price per Common Share _____.

Shares Being Purchased _____.

Total Purchase Price _____.

Please have a certificate bearing no restrictive legend issued to the Investor immediately and sent via DWAC to the following account:

[INSERT]

If not DWAC eligible, please send FedEx Priority Overnight to:

[INSERT ADDRESS]

Once the conditions of Section 2.5 have been met, we will have the funds wired to the Company. Regards,

TANGIERS GLOBAL, LLC

By:_____

Name:

Title: Managing Member

EXHIBIT D

U.S. ACCREDITED INVESTOR CERTIFICATE

Capitalized terms not specifically defined in this certification have the meaning ascribed to them in the Agreement to which this Exhibit D is attached. In the event of a conflict between the terms of this certification and such Agreement, the terms of this certification shall prevail.

TO: ParcelPal Technology, Inc. (the "Corporation")

In connection with the purchase by the undersigned of the Securities, the Investor hereby represents, warrants, covenants and certifies (which representations, warranties, covenants and certifications will survive the Closing Date) to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

(a) It is authorized to consummate the purchase of the Securities.

(b) It has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Securities and it is able to bear the economic risk of loss of its entire investment. To the extent necessary, the Investor has retained, at his or her own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of the Agreement and owning the Securities.

(c) The Corporation has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Agreement and it has had access to such information concerning the Corporation as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities, and that any answers to questions and any request for information have been complied with to the Investor's satisfaction.

(d) It is acquiring the Securities for its own account, or for the account of one or more persons for whom it is exercising sole investment discretion (a "**Beneficial Investor**"), for investment purposes only, and not with a view to any resale, distribution or other disposition of the Securities in violation of the United States federal or state securities laws.

(e) The address of the Investor set out on page 1 of the Agreement is the true and correct principal address of the Investor and can be relied on by the Corporation for the purposes of state blue-sky laws and the Investor has not been formed for the specific purpose of purchasing the Securities.

(f) It understands that (i) the Securities have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and will therefore be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged or otherwise transferred, directly or indirectly, unless:

a. the transfer is to the Corporation, or a subsidiary thereof (though the Corporation or its subsidiaries are under no obligation to purchase any such Securities

b. the transfer is made outside the United States in accordance with Regulation S and in compliance with applicable local laws;

c. the transfer is made in compliance with an exemption from registration under the U.S. Securities Act provided by Rule 144 or Rule 144A thereunder, if available, and in accordance with applicable state securities laws;

d. in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the holder of the Underlying Securities has furnished to the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect; or

e. pursuant to an effective registration statement under the U.S. Securities Act, and in each case in compliance with any applicable state securities laws in the United States.

(g) The Investor is, and if applicable, each Beneficial Investor for whose account it is purchasing the Securities is a U.S. Accredited Investor by virtue of meeting one of the following criteria (**please write "SUB" for the criteria the Investor meets and "BEN" for the criteria the Beneficial Investor meets**):

1.
Initials _____ A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

2.
Initials _____ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

3.
Initials _____ A broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*; or

4.
Initials _____ An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

5.
Initials _____ An investment company registered under the United States *Investment Corporation Act of 1940*; or

6.
Initials _____ A business development company as defined in Section 2(a)(48) of the United States *Investment Corporation Act of 1940*; or

7.
Initials _____ A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States *Small Business Investment Act of 1958*; or

8.
Initials _____ A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US$5,000,000; or

9.
Initials _____ An employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are U.S. Accredited Investors; or

10.
Initials _____ A private business development company as defined in Section 202(a)(22) of the United States *Investment Advisers Act of 1940*; or

11.
Initials _____ An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the securities offered under the accompanying Subscription Agreement, with total assets in excess of US$5,000,000; or

12.
Initials_____ Any director or executive officer of the Corporation; or

13.
Initials _____ A natural person whose individual net worth, or joint net worth, with that person's spouse, exceeds US$1,000,000 as determined on the following basis:
(i) the person's primary residence shall not be included as an asset;
(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of securities contemplated by the accompanying Subscription Agreement, shall not be included as a liability (except that if the amount of such indebtedness outstanding at such time exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and
(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; or

14.
Initials _____ A natural person who had an individual income in excess of US$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

15.
Initials _____ A trust, with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered under the accompanying Agreement, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

16.
Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as a U.S. Accredited Investor).

(h) The Investor has not purchased the Securities as a result of any "directed selling efforts" (as defined in Regulation S) or any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D), including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or the internet, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(i) The certificates representing the Securities issued in exchange for or in substitution of the foregoing, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear, on the face of such certificates, the following legend:

> "THE SECURITIES REPRESENTED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO PARCELPAL TECHNOLOGIES, INC. (THE "COMPANY"), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED TO TSX TRUST COMPANY TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if any Securities are being sold in accordance with Rule 904 of Regulation S, the legend may be removed by providing to the transfer agent for the Corporation, and if required by the transfer agent for the Corporation, an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, or other evidence reasonably satisfactory to the Corporation, that the proposed transfer may be effected without registration under the U.S. Securities Act; *and provided, further, th*at, if any Securities are being sold under Rule 144 under the U.S. Securities Act, the legend may be removed by delivering to the transfer agent for the Corporation, an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(j) The Investor understands and agrees that there may be material tax consequences to it of an acquisition, holding, exercise or disposition of the Securities. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Investor under United States, state, local or foreign tax law of its acquisition, holding, conversion or disposition of any of the Securities and the Investor acknowledges that it is solely responsible for determining the tax consequences to it with respect to its investment, including whether the Corporation will at any given time be deemed a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended.

(k) It understands that (i) if the Corporation is ever determined to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may not be available for re-sales of the Securities and the Underlying Securities; and (ii) the Corporation is not obligated to take, and have no present intention of taking, as applicable, any action to make Rule 144 under the U.S. Securities Act (or any other exemption) available for re-sales of any of the Securities.

(l) It consents to the Corporation making a notation on their records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in this certification and the Agreement.

(m) If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, the Investor will execute, deliver, file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the ownership of the Securities.

(n) It understands that the Corporation has no obligation to register, and have no present intention to register, as applicable, the resale of any of the Securities and the Underlying Securities under the U.S. Securities Act. Accordingly, the Investor understands that absent registration, under the rules of the U.S. Securities and Exchange Commission, the Investor may be required to hold the Securities indefinitely or to transfer the Securities in transactions which are exempt from registration under the U.S. Securities Act, in which event the transferee may acquire "restricted securities" subject to the same limitations as in the hands of the Investor. As a consequence, the Investor understands that it must bear the economic risks of the investment in the Securities for an indefinite period of time.

(o) The funds representing the aggregate Purchase Price which will be advanced by the Investor to the Corporation hereunder will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act"**) and the Investor acknowledges that the Corporation may in the future be required by law to disclose the Investor's name and other information relating to the Subscription Agreement and the Investor's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the Aggregate Issue Price to be provided by the Investor (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the Investor, and it shall promptly notify the Corporation and the Agent if the Investor discovers that any of such representations ceases to be true and provide the Corporation and the Agent with appropriate information in connection therewith. The foregoing representations and warranties are true and accurate as of the date of this U.S. Accredited Investor Certificate and will be true and accurate as of the Closing Time on the Closing Date. If any such representation or warranty shall not be true and accurate prior to such Closing Time, the Investor shall give immediate written notice of such fact to the Corporation.

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Individual

_____

Name:
(Please type or print)

_____

Signature

Date: _____

Partnership, Corporation or Other Entity

Print or Type Name

By: _____
Name:
Title:

Date: _____

SCHEDULE 4.3

See below schedule of currently existing convertible debt instruments

Convertible Note entered into by the Company and the Investor on April 14, 2020, in the principal amount of $367,500

Convertible Note entered into by the Company and the Investor on June 29, 2020, in the principal amount of $210,000

Convertible Note entered into by the Company and the Investor on September 29, 2020, in the principal amount of $525,000

Exhibit 4.6

NEITHER THESE SECURITIES NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THIS NOTE DOES NOT REQUIRE PHYSICAL SURRENDER OF THE NOTE IN THE EVENT OF A PARTIAL REDEMPTION OR CONVERSION. AS A RESULT, FOLLOWING ANY REDEMPTION OR CONVERSION OF ANY PORTION OF THIS NOTE, THE OUTSTANDING PRINCIPAL SUM REPRESENTED BY THIS NOTE MAY BE LESS THAN THE PRINCIPAL SUM AND ACCRUED INTEREST SET FORTH BELOW.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY12, 2021 (OR SEPTEMBER 12, 2021 UNDER U.S. LAW, AS APPLICABLE).

5% FIXED CONVERTIBLE PROMISSORY NOTE

OF

PARCELPAL TECHNOLOGY, INC.

Issuance Date: March __, 2021

Total Face Value of Note: $1,050,000
Aggregate Consideration: $1,000,000 (payable in tranches as set forth below)
Original Issue Discount: 5%

THIS NOTE is a duly authorized Fixed Convertible Promissory Note of ParcelPal Technology, Inc. a corporation duly incorporated under the laws of the Province of British Columbia (the "**Company**"), designated as the Company's 5% Fixed Convertible Promissory Note in the principal amount of $1,050,000 (the "**Note**"). This Note will become effective only upon execution by both parties and delivery of the payment of the Initial Consideration by the Holder (the "**Effective Date**"). All references to "dollars" or "$" or "US$" in this Note are United States-dollar denominated references.

FOR VALUE RECEIVED, the Company hereby promises to pay to the order of **Tangiers Global, LLC** or its registered assigns or successors-in-interest (the **"Holder"**) the principal sum 1 of $1,050,000 (the "**Total Face Value of Note**"**)** or such lesser amount of aggregate Consideration, defined below, plus the applicable OID thereon (as provided herein) drawn by the Company hereunder and to pay "guaranteed" interest at a rate of 5% of the Principal Sum (as defined below), to the extent such Principal Sum and "guaranteed" interest and any other interest, fees, liquidated damages and/or items due to Holder herein have not been repaid or converted into the Company's common shares (the **"Common Shares"**), in accordance with the terms hereof. The sum of $350,000 (the "**Initial Consideration**") shall be remitted and delivered to the Company, and $17,500 (the "**Initial Original Issue Discount**") shall be retained by the Holder through an original issue discount (the "**OID**") for due diligence and legal bills related to this transaction. The OID is set at 5% of any Consideration, defined below, paid. The Company covenants that within six (6) months of the Effective Date of the Note, it shall utilize approximately $1,000,000 of the proceeds in the manner set forth on Schedule 1, attached hereto (the "**Use of Proceeds**"), and shall promptly provide evidence thereof to Holder, in sufficient detail as reasonably requested by Holder.

The Holder agrees to pay additional consideration, together with the 5% OID (each of the Initial Consideration, together with any Additional Tranche payments by the Holder to the Company, together, the "**Consideration**"), to the Company in the two additional tranches within thirty (30) and sixty (60) days, respectively, following the payment of the Initial Consideration, each such Additional Tranche in the amount of $325,000 (each such payment by the Holder following the Initial Consideration, and its respective 5% OID, shall together be referred to as an "**Additional Tranche**") or such other amounts and at such dates as the parties hereto shall mutually agree (each, an "**Additional Tranche Date**"). The Principal Sum due to Holder shall be prorated based on the Consideration actually paid by Holder, plus the 5% OID, such that the Company is only required to repay the amount funded and the Company is not required to repay any unfunded portion of this Note. The Maturity Date is six (6) months and one day from the Effective Date of each of the Initial Consideration date and each of such Additional Tranche Date (each a respective **"Maturity Date"**) and is the date upon which the Principal Amount of this Note, as well as any unpaid interest and other fees, shall be due and payable.

In addition to the "guaranteed" interest referenced above, in the Event of Default pursuant to Section 3.00(a), additional interest will accrue from the date of the Event of Default at the rate equal to the lower of 20% per annum or the highest rate permitted by law (the "**Default Rate**").

This Note will become effective only upon the execution by both parties, including the execution of Exhibits B, C, D, E, Schedule 1 (collectively, the "**Exhibits**"), and the Treasury Order by the Company to its Transfer Agent (the "**Date of Execution**") and delivery of the payment of Consideration by the Holder (the "**Effective Date**"). The Company acknowledges and agrees the Exhibits are material provisions of this Note.

As an investment incentive, the Company shall issue to the Holder 300,000 Common Shares (the "**Origination Shares**"), which shares shall be issued and delivered to the Holder within 3 Trading Days of the Effective Date (which delivery shall be satisfied by electronic recordation of the issuance of such shares by the Company's transfer agent). No additional commitment shares shall be owed or paid by the Company under the terms of this note.

For purposes hereof the following terms shall have the meanings ascribed to them below:

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the City of New York are authorized or required by law or executive order to remain closed.

"Fixed Conversion Price" shall be fixed at a price per share equal to $.13 USD.

"***Principal Sum***" shall refer to the sum of the Consideration funded under the Note.

"***Principal Amount***" shall refer to the sum of (i) the original principal amount of this Note (including the original issue discount), (ii) all guaranteed and other accrued but unpaid interest hereunder, (iii) any fees due hereunder, (iv) liquidated damages, and (v) any default payments owing under the Note, in each case previously paid or added to the Principal Amount.

"***Principal Market***" shall refer to the primary exchange on which the Company's common shares are traded or quoted.

"Trading Day" shall mean a day on which there is trading or quoting for any security on the Principal Market.

"Underlying Shares" means the Common Shares into which the Note is convertible (including interest, fees, liquidated damages and/or principal payments in Common Shares as set forth herein) in accordance with the terms hereof.

The following terms and conditions shall apply to this Note:

Section 1.00 **Repayment**.

(a) The Company may pay this Note, in whole or in part, in cash or in other good funds, according to the following schedule:

Days Since Effective Date	Payment Amount
Under 90	110% of Principal Amount so paid
91-180	120% of Principal Amount so paid

(b) After 180 days from the Effective Date, the Company may not pay this Note, in whole or in part, in cash or in other good funds, without prior written consent from Holder, which consent may be withheld, delayed, denied, or conditioned in Holder's sole and absolute discretion. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a Business Day, the same shall instead be due on the next succeeding day that is a Business Day. Upon the occurrence of an Event of Default, the Company may not pay the Note, in whole or in part, in cash or in other good funds without written consent of the Holder, which consent may be withheld, delayed, denied, or conditioned in Holder's sole and absolute discretion. Further, the Company shall provide the Holder with two weeks' prior written notice of the Company's determination to pay any or all of its obligations hereunder. During such two-week period, the Holder may exercise any or all of its conversion rights hereunder. In the event that the Holder does not exercise its conversion rights in respect of any or all of such noticed, prospective payment, the Company shall tender the full amount set forth in such notice (less any amount in respect of which the Holder has exercised its conversion rights) to the Holder within 2 Business Days following the Holder's exercise (or notification to the Company of non-exercise) of the Holder's conversion rights in respect of the amount set forth in such notice. Any such payment by the Company in connection with this provision shall be deemed to have been made on the date that the Holder first receives the above-referenced notice.

Section 2.00 **Conversion**.

(a) Conversion Right. Subject to the terms hereof and restrictions and limitations contained herein, the Holder shall have the right, at the Holder's sole option, at any time and from time to time to convert in whole or in part the outstanding and unpaid Principal Amount under this Note into Common Shares as per the Fixed Conversion Price (or the Conversion Price in the event that the Note is not repaid, retired or fully-converted prior to the Maturity Date, as set forth in Section 3.00(c)), but not to exceed the Restricted Ownership Percentage, as defined in Section 2.00(f). The date of any conversion notice ("**Conversion Notice**") hereunder shall be referred to herein as the **"Conversion Date"**.

(b) Stock Certificates; Electronic Delivery. The Company will deliver to the Holder, or Holder's authorized designee, no later than 3 Trading Days after the Conversion Date, a certificate or certificates (which certificate(s) shall be free of restrictive legends and trading restrictions if the Common Shares underlying the portion of the Note being converted are eligible under a resale exemption pursuant to Rule 144(b)(1)(ii), Rule 144(d)(1)(ii), Rule 904 of Regulation S or such other available registration exemption of the Securities Act of 1933, as amended) representing the number of Common Shares being acquired upon the conversion of this Note. In lieu of delivering physical certificates representing the Common Shares issuable upon conversion of this Note, providing that the conversion shares are eligible to be issued free of restrictive legend, and provided the Company's transfer agent is participating in Depository Trust Company's ("**DTC**") Fast Automated Securities Transfer ("**FAST**") program, the Company shall instead use commercially reasonable efforts to cause its transfer agent to electronically transmit such shares issuable upon conversion to the Holder (or its designee), by crediting the account of the Holder's (or such designee's) broker with DTC through either its Direct Registration System ("**DRS**") or Deposits and Withdrawal at Custodian ("**DWAC**") program (provided that the same time periods herein as for stock certificates shall apply).

(c) Charges and Expenses. Issuance of Common Shares to the Holder, or any of its assignees, upon the conversion of this Note shall be made without charge to the Holder for any issuance fee, transfer tax, legal opinion and related charges, postage/mailing charge or any other expense with respect to the issuance of such Common Shares. Company shall pay all transfer agent fees incurred from the issuance of the Common Shares to Holder, as well as any and all other fees and charges required by the transfer agent as a condition to effectuate such issuance. Any such fees or charges, as noted in this Section that are paid by the Holder (whether from the Company's delays, outright refusal to pay, or otherwise), will be automatically added to the Principal Sum of the Note then outstanding and tack back to the Effective Date for purposes of Rule 144 or Regulation S, as applicable.

(d) Delivery Timeline. If the Company fails to deliver to the Holder such certificate or certificates (or shares through the DRS or DWAC program) pursuant to this Section (free of any restrictions on transfer or legends, if eligible) prior to 3 Trading Days after the Conversion Date, the Company shall pay to the Holder as liquidated damages an amount equal to $2,000 per day, until such certificate or certificates are delivered. The Company acknowledges that it would be extremely difficult or impracticable to determine the Holder's actual damages and costs resulting from a failure to deliver the Common Shares and the inclusion herein of any such additional amounts are the agreed upon liquidated damages representing a reasonable estimate of those damages and costs. Such liquidated damages will be automatically added to the Principal Sum of the Note and tack back to the Effective Date for purposes of Rule 144 or such available exemption from registration.

(e) Reservation of Underlying Securities. The Company covenants that it will at all times reserve and keep available for Holder, out of its authorized and unissued Common Shares solely for the purpose of issuance upon conversion of this Note, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holder, two and one-half (2.5x) times the number of Common Shares as shall be issuable (taking into account the adjustments under this Section 2.00, but without regard to any ownership limitations contained herein) upon the conversion of this Note (consisting of the Principal Amount), under the formula in Section 3.00(c) below, to Common Shares (the "**Required Reserve**"). The Company covenants that all Common Shares that shall be issuable will, upon issue, be duly authorized, validly issued, fully-paid, non-assessable and freely-tradable (if eligible). If the amount of shares on reserve in Holder's name at the Company's transfer agent for this Note shall drop below the Required Reserve, the Company will, within 2 Trading Days of notification from Holder, instruct the transfer agent to increase the number of shares so that the Required Reserve is met. In the event that the Company does not instruct the transfer agent to increase the number of shares so that the Required Reserve is met, the Holder will be allowed, if applicable, to provide this instruction as per the terms of the Treasury Order attached to this Note. Upon an Event of Default that is not cured within the applicable cure period, the Required Reserve shall immediately increase to 3.5x times the number of Common Shares as shall be issuable upon conversion of the then outstanding Principal Amount of the Note, under the formula set forth in Section 3.00(c), to Common Shares (the "**Adjusted Required Reserve**"). The Company agrees that the maintenance of the Required Reserve and Adjusted Required Reserve is a material term of this Note and any breach of this Section 2.00(e) will result in a default of the Note.

(f) Conversion Limitation. The Holder will not submit a conversion to the Company that would result in the Holder beneficially owning more than 9.99% of the then total outstanding shares of the Company ("**Restricted Ownership Percentage**").

(g) Conversion Delays. If the Company fails to deliver shares in accordance with the timeframe stated in Section 2.00(c), the Holder, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares. The rescinded conversion amount will be returned to the Principal Sum then outstanding with the rescinded conversion shares returned to the Company, under the expectation that any returned conversion amounts will tack back to the Effective Date.

(h) Shorting and Hedging. Holder may not engage in any "shorting" or "hedging" transaction(s) in the Common Shares of the Company prior to conversion or at any time while any portion of the Principal Sum remains outstanding.

(i) Conversion Right Unconditional. If the Holder shall provide a Conversion Notice as provided herein, the Company's obligations to deliver Common Shares shall be absolute and unconditional, irrespective of any claim of setoff, counterclaim, recoupment, or alleged breach by the Holder of any obligation to the Company, subject to any court order by a court of competent jurisdiction.

Section 3.00 Defaults and Remedies.

(a) Events of Default. An "**Event of Default**" is: (i) a default in payment of any amount due hereunder; (ii) a default in the timely issuance of underlying shares upon and in accordance with terms of Section 2.00, which default continues for 2 Trading Days after the Company has failed to issue shares or deliver stock certificates within the 3rd Trading Day following the Conversion Date; (iii) if the Company does not issue the press release or file such necessary 8-K, material change report or other applicable report with either EDGAR or SEDAR, as applicable, in each case in accordance with the provisions and the deadlines referenced Section 5.00(i); (iv) failure by the Company for 3 Trading Days after notice has been received by the Company to comply with any material provision of this Note; (v) any representation or warranty of the Company in this Note that is found to have been incorrect in any material respect when made, including, without limitation, the Exhibits; (vi) failure of the Company to remain compliant with DTC, thus incurring a "chilled" status with DTC; (vii) any default of any mortgage, indenture or material instrument which may be issued, or by which there may be secured or evidenced any material indebtedness, for money borrowed by the Company or for money borrowed the repayment of which is guaranteed by the Company, whether such indebtedness or guarantee now exists or shall be created hereafter; (viii) if the Company is subject to any Bankruptcy Event; (ix) any material failure of the Company to satisfy (from and after the Effective Date) its continuous disclosure obligations pursuant to the requirements of the Securities Act (British Columbia) or, when applicable, the Securities Exchange Act of 1934, as amended (the "**1934 Act**") and the rules and guidelines issued by OTC Markets News Service, OTCMarkets.com and their affiliates, in each case if and as applicable; (x) failure of the Company to remain in good standing under the laws of its state of domicile; (xi) any failure of the Company to provide the Holder with information related to its corporate structure including, but not limited to, the number of authorized and outstanding shares, public float, etc. within 1 Trading Day of request by Holder; (xii) failure by the Company to maintain the Required Reserve or Adjusted Required Reserve in accordance with the terms of Section 2.00(e); (xiii) failure of Company's Common Shares to maintain a closing bid price in its Principal Market for more than 5 consecutive Trading Days; (xiv) any delisting from a Principal Market for any reason; (xv) failure by Company to pay any of its transfer agent fees in excess of $2,000 or to maintain a transfer agent of record; (xvi) failure by Company to notify Holder of a change in transfer agent within 24 hours of such change; (xvii) any trading suspension imposed by the B.C. Securities Commission (the "**BCSC**"), or when applicable to the Company, the United States Securities and Exchange Commission (the "**SEC**") under Sections 12(j) or 12(k) of the 1934 Act; (xviii) failure by the Company to meet the requirements necessary to satisfy the availability of either Rule 904 of Regulation S, Rule 144A or Rule 144, as applicable, to the Holder or its assigns, including but not limited to the timely fulfillment of its filing requirements as a fully- reporting issuer registered with the BCSC or the SEC (when applicable), requirements for XBRL filings (if applicable), and requirements for disclosure of financial statements on its website (if applicable); (xix) failure of the Company to abide by the Use of Proceeds or failure of the Company to inform the Holder of a change in the Use of Proceeds; or (xx) failure of the Company to abide by the terms of the right of first refusal contained in Section 5.00(j).

(b) Remedies. If an Event of Default occurs, and remains uncured within the applicable cure period, then the outstanding Principal Amount of this Note then outstanding and owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the "**Mandatory Default Amount**". The Mandatory Default Amount means 43% of the outstanding Principal Amount of this Note will be automatically added to the Principal Sum of the Note and tack back to the Effective Date for purposes of Rule 904 of Regulation S, Rule 144 or Rule 144A, as applicable. Commencing 5 days after the occurrence of any Event of Default that results in the eventual acceleration of this Note, this Note shall accrue additional interest, in addition to the Note's "guaranteed" interest, at a rate equal to the lesser of 20% per annum or the maximum rate permitted under applicable law. In connection with such acceleration described herein, the Holder need not provide, and the Issuer hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the note until such time, if any, as the Holder receives full payment pursuant to this Section 3.00(b). No such rescission or annulment shall affect any subsequent event of default or impair any right consequent thereon. Nothing herein shall limit the Holder's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Issuer's failure to timely deliver certificates representing shares of Common Shares upon conversion of the Note as required pursuant to the terms hereof.

(c) Variable Conversion Price. If the Note is not retired on or before the Maturity Date, then at any time and from time to time after the Maturity Date, and subject to the terms hereof and restrictions and limitations contained herein, the Holder shall have the right, at the Holder's sole option, to convert in whole or in part the outstanding and unpaid Principal Amount under this Note into Common Shares at the Variable Conversion Price. The "**Variable Conversion Price**" (together with the Fixed Conversion Price, the "**Conversion Price**") shall be equal to the lower of: (a) the Fixed Conversion Price or (b) 83% of the average of the two lowest volume weighted average prices of the Company's Common Shares during the 10 consecutive Trading Days prior to the date on which Holder elects to convert all or part of the Note. For the purpose of calculating the Variable Conversion Price only, any time after 4:00 pm Eastern Time (the closing time of the Principal Market) shall be considered to be the beginning of the next Business Day. If the Company is placed on "chilled" status with the DTC, the discount under this Section 3.00(c) shall be increased by 10%, *i.e*., from 17% to 27%, until such chill is remedied. If the Company is not DRS or DWAC eligible through their transfer agent and DTC's FAST system, the discount under this Section 3.00(c) will be increased by 5%, *i.e*., from 17% to 22%. In the case of both, the discount under this Section 3.00(c) shall be a cumulative increase of 15%, *i.e*., from 17% to 32%; provided, however, that any such adjustment to the Fixed Conversion Price contemplated in this Section 3.00(c) is subject to compliance with applicable Canadian securities laws and the policies and rules of the Canadian Securities Exchange or such other stock exchange on which the securities of the Company are principally traded.

Section 4.00 **Representations and Warranties of Holder.**

Holder hereby represents and warrants to the Company that:

(a) Holder is an "accredited investor," as such term is defined in Regulation D of the Securities Act of 1933, as amended (the "**1933 Act**") and as such term is defined in National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**"), and will acquire this Note and the Underlying Shares (collectively, the "**Securities**") for its own account and not with a view to a sale or distribution thereof as that term is used in Section 2(a)(11) of the 1933 Act, in a manner which would require registration under the 1933 Act or any state securities laws. Holder has such knowledge and experience in financial and business matters that such Holder is capable of evaluating the merits and risks of the Securities. Holder can bear the economic risk of the Securities, has knowledge and experience in financial business matters and is capable of bearing and managing the risk of investment in the Securities. Holder recognizes that the Securities have not been registered under the 1933 Act, nor under the securities laws of any state and, therefore, cannot be resold unless the resale of the Securities is registered under the 1933 Act or unless an exemption from registration is available. Holder has carefully considered and has, to the extent Holder believes such discussion necessary, discussed with its professional, legal, tax and financial advisors, the suitability of an investment in the Securities for its particular tax and financial situation and its advisers, if such advisors were deemed necessary, and has determined that the Securities are a suitable investment for it. Holder has not been offered the Securities by any form of general solicitation or advertising, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or other similar media or television or radio broadcast or any seminar or meeting where, to Holders' knowledge, those individuals that have attended have been invited by any such or similar means of general solicitation or advertising. Holder has had an opportunity to ask questions of and receive satisfactory answers from the Company, or any person or persons acting on behalf of the Company, concerning the terms and conditions of the Securities and the Company, and all such questions have been answered to the full satisfaction of Holder. The Company has not supplied Holder any information regarding the Securities or an investment in the Securities other than as contained in this Agreement, and Holder is relying on its own investigation and evaluation of the Company and the Securities, including any public information which has been filed by the Company with any Canadian provincial securities commissions (the "**Public Record**"), and not on any other information and is aware that an investment in the Company is speculative and involves certain risks (including those risks disclosed in the Public Record). Holder agrees and acknowledges that in order for the Note or the underlying conversion shares to be resold, transferred, offered or pledged, there must be an available exemption from registration and, therefore, Holder covenants that it shall provide any certificates, documents and opinions as needed to avail itself of such applicable registration exemption and legend removal.

(b) The Holder is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all requisite corporate power and authority to carry on its business as now conducted. The Holder is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

(c) All limited liability company action has been taken on the part of the Holder, its officers, directors, managers and members necessary for the authorization, execution and delivery of this Note. The Holder has taken all limited liability company action required to make all of the obligations of the Holder reflected in the provisions of this Note, valid and enforceable obligations.

(d) The Note has an acquisition cost to the Holder of not less than $350,000, payable in cash at the Closing (with an additional $325,000 to be funded on each of thirty (30) and sixty (60) days post the closing date. The Holder is: (i) purchasing the Securities as principal for its own account and not for the benefit of any other person; and (ii) was not created and is not being used solely to purchase or hold securities in reliance on the prospectus exemption provided under Section 2.10 (Minimum Amount Investment) of NI 45-106; and (iii) it pre-existed the offering of the Note and has a bona fide purpose other than investment in the Securities.

(e) Each certificate or instrument representing Securities will be endorsed with the following legend (or a substantially similar legend), unless or until registered under the 1933 Act or exempt from registration:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO PARCELPAL TECHNOLOGY INC. (THE "CORPORATION") (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO COMPUTERSHARE TRUST COMPANY OF CANADA TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

(Canadian Restrictive Legend (if issued on or before JULY 12, 2021)

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY12, 2021.

Section 5.00 General.

(a) Payment of Expenses. The Company agrees to pay all reasonable charges and expenses, including attorneys' fees and expenses, which may be incurred by the Holder in successfully enforcing this Note and/or collecting any amount due under this Note.

(b) Assignment, Etc. The Holder may assign or transfer this Note to any transferee at its sole discretion, provided, however, that the terms and conditions of this Note shall not be changed, modified or amended without the Company's prior written consent. This Note shall be binding upon the Company and its successors and shall inure to the benefit of the Holder and its successors and permitted assigns, as well as to the Company.

(c) Amendments. This Note may not be modified or amended, or any of the provisions of this Note waived, except by written agreement of the Company and the Holder.

(d) Funding Window. The Company agrees that it will not enter into a convertible debt financing transaction, including 3(a)9 and 3(a)10 transactions, with any party other than the Holder for a period of 90 Trading Days following the Effective Date, and each Additional Tranche Date, as applicable. The Company agrees that this is a material term of this Note and any breach of this Section 5.00(d) will result in a default of the Note. Notwithstanding the foregoing, or any other terms or provisions of this Note (or such other Notes as may be then outstanding), including Sections 5.00(e) and (j), the Company may, in its sole discretion and without notice to Holder, enter into an equity, debt or such other financing transaction in connection with an acquisition, joint venture, partnership, license or such other expansion opportunity.

(e) Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Company or any of its subsidiaries of any convertible debt security (whether such debt begins with a convertible feature or such feature is added at a later date) with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at the Holder's option, shall become a part of this Note and its supporting documentation, subject to compliance with applicable securities laws and the rules and policies of the Canadian Securities Exchange or such other stock exchange on which the securities of the Company are principally listed. The types of terms contained in the other convertible debt security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, terms addressing maturity, conversion look back periods, interest rates, original issue discount percentages and warrant coverage.

(f) Governing Law; Jurisdiction.

(i) *Governing Law.* This Note will be governed by, and construed and interpreted in accordance with, the laws of the state of California without regard to any conflicts of laws or provisions thereof that would otherwise require the application of the law of any other jurisdiction.

(ii) *Jurisdiction and Venue*. Any dispute, claim, suit, action or other legal proceeding arising out of or relating to this Note or the rights and obligations of each of the parties shall be brought only in the state courts of California or in the federal courts of the United States of America located in San Diego County, California.

(iii) *No Jury Trial*. The Company hereto knowingly and voluntarily waives any and all rights it may have to a trial by jury with respect to any litigation based on, or arising out of, under, or in connection with, this Note.

(iv) *Delivery of Process by the Holder to the Company*. In the event of an action or proceeding by either party hereto against the other party hereto, service of copies of summons and/or complaint and/or any other process that may be served in any such action or proceeding may be made by such party via U.S. Mail, overnight delivery service such as FedEx or UPS, email, fax, or process server, or by mailing or otherwise delivering a copy of such process to the Holder at its principal business address or to the Company at its last known attorney as set forth in its most recent SEDAR or SEC filing, as the case may be.

(v) *Notices*. Any notice required or permitted hereunder (including Conversion Notices) must be in writing and either personally served, sent by facsimile or email transmission, or sent by overnight courier. Notices will be deemed effectively delivered at the time of transmission if by facsimile or email, and if by overnight courier the business day after such notice is deposited with the courier service for delivery.

(g) No Bad Actor. No current officer or director of the Company would be disqualified under Rule 506(d) of the Securities Act of 1933, as amended, on the basis of being a "bad actor" as that term is established in the September 13, 2013 Small Entity Compliance Guide published by the SEC.

(h) Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates any applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it will not seek to claim or take advantage of any law that would prohibit or forgive the Company from paying all or a portion of the principal, fees, liquidated damages or interest on this Note.

(i) Securities Laws Disclosure; Publicity. The Company shall (a) by 9:30 a.m. Eastern Time on the Trading Day immediately following the Date of Execution, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file such news release on SEDAR, including a copy of this Note as an exhibit thereto if required under applicable Canadian securities laws, within the applicable time required under applicable Canadian securities laws. The Holder agrees and acknowledges that the Company has not provided to it any material non-public information, and to the extent Holder shall come into possession of any material non-public information at any time, including while this Note, any prior issued and outstanding Note or while it holds or controls any securities of the Company, it agrees to not transact in any securities of the Company, directly or indirectly, until such time as such material non-public information has been publicly disclosed, in all cases in compliance with applicable law. The Company and the Holder shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor the Holder shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Holder, or without the prior consent of the Holder, with respect to any press release of the Company, none of which consents shall be unreasonably withheld, delayed, denied, or conditioned except if such disclosure is required by law or the applicable rules of the Company's Principal Market, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. The Holder agrees and acknowledges that the Company is and shall be subject to certain public company disclosure requirements imposed on the Company by law and/or Principal Market regulations, which shall require disclosure of the terms of this Note, the names of parties to it and certain other information related hereto , and such required disclosure by the Company shall, in no circumstance, be deemed or considered a default under or breach of this Note.

(j) Right of First Refusal. From and after the date of this Note and at all times hereafter while the Note is outstanding, the Parties agree that, in the event that the Company receives any written or oral proposal (the "**Proposal**") containing one or more offers to provide additional capital or equity or debt financing (the "**Financing Amount**"), and if the Company's executive management and its board of directors either accept such Proposal or determine to negotiate such Proposal in contemplation of acceptance, then the Company agrees that it shall provide a copy of such written Proposal to the Holder and all amendments, revisions, and supplements thereto (the "**Proposal Documents**") no later than 3 business days from the receipt and contemplated acceptance by the Board of the Proposal Documents. Following receipt of the Proposal Documents from the Company, the Holder shall have the right (the "**Right of First Refusal**"), but not the obligation, for a period of 5 business days thereafter (the "**Exercise Period**"), to invest, at similar or better terms to the Company, an amount equal to or greater than the Financing Amount, upon written notice to the Company that the Holder is exercising the Right of First Refusal provided hereby. In furtherance of the Right of First Refusal, the Company agrees that it will cooperate and assist the Holder in conducting a due diligence investigation of the Company and its corporate and financial affairs and promptly provide the Holder with information and documents that the Holder may reasonably request so as to allow the Holder to make an informed investment decision. However, the Company and the Holder agree that the Holder shall have no more than 5 business days from and after the expiration of the Exercise Period to exercise its Right of First Refusal hereunder and to provide a written counteroffer to the Company on the same or better terms. This Right of First Refusal shall extend to all purchases of debt held by, or assigned to or from, current stockholders, vendors, or creditors, all transactions, including, if applicable, under Sections 3(a)9 and/or 3(a)10 or the Securities Act of 1933, as amended, and all equity line-of-credit transactions, provided, however, the Right of First Refusal set forth herein shall not apply to any loans to the Company or purchases of securities by any directors of the Company, financing(s) by the Company involving a United States IPO transaction, syndicated, underwritten or best efforts registered transaction, including, but not limited to, a financing transaction to qualify for a listing on the Nasdaq Capital Market or OTC QB or QX markets; provided, however, the Holder shall have the option, but not the obligation, to participate in such transaction(s) by the Company while the Note remains outstanding. Other than for exempted issuances described herein, in the event that the Company does enter into, or makes any issuance of Common Shares related to a 3(a)(9) Transaction or a 3(a)(10) Transaction while this note is outstanding, without giving Right of First Refusal to the Holder, a liquidated damages charge of 25% of the outstanding principal balance of this Note, but not less than $25,000 (if permissible in compliance with applicable law), will be assessed and will become immediately due and payable to the Holder at its election in the form of cash payment or addition to the balance of this Note. Such liquidated damages will be automatically added to the Principal Sum of the Note and tack back to the Effective Date for purposes of Rule 144A or Rule 144, as applicable.

[Signature Page to Follow.]

IN WITNESS WHEREOF, the Company has caused this Fixed Convertible Promissory Note to be duly executed on the day and in the year first above written.

PARCELPAL TECHNOLOGY, INC.

By: _____

Name: Rich Wheeless

Title: Chief Executive Officer

Email: rich.wheeless@parcelpal.com

Address: 190 Alexander St., Suite 305
Vancouver, BC V6A 2S5

This Fixed Convertible Promissory Note of March 12, 2021 is accepted this 12th day of March 2021 by

TANGIERS GLOBAL, LLC

By: _____
Name:
Title: Managing Member

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Exhibit 10.2

DELIVERY SERVICE PARTNER PROGRAM AGREEMENT

Welcome to the Delivery Service Partner program (the "Program"). This Delivery Service Partner Program Agreement (this "Agreement"), which incorporates the Program Policies (as defined below), is effective as of the date of last signature below (the "Effective Date") and governs the transportation, delivery, and related services (the "Services") performed by the business entity that you represent ("your company"). This Agreement constitutes a legally binding agreement between Amazon Canada Fulfillment Services, ULC ("Amazon", "we", "us" or "our") and your company. All references to this Agreement include the Program Policies. If there is a conflict between the Program Policies and any other section of this Agreement, the Program Policies will prevail. You agree, on behalf of your company, to bind your company to all of the terms and conditions of this Agreement, and you represent and warrant that you have legal authority to bind your company to this Agreement.

1. Term; Services; Program Policies.

(a) This Agreement will start on the Effective Date and will continue until [***] after the next occurring March 31 or September 30, whichever comes first (the "Initial Term"). For example, if your company begins to provide Services in [***], the Initial Term will continue until [***]. At the end of the Initial Term, this Agreement will automatically renew for successive [***] periods (each new [***] period, a "Renewal Term", and the Initial Term together with each Renewal Term, the "Term"). If either party does not want to renew this Agreement, that party must notify the other party at least [***]before the end of the Initial Term or then-current Renewal Term, as applicable. For example, if the Initial Term expires on [***], and your company does not want to provide Services beyond that date, your company would need to notify us on or before [***]. Nothing in this section prevents either party from terminating this Agreement earlier in accordance with the provisions of Section 6 (Termination) below.

(b) During the Term, your company agrees to provide Services to us and to comply with this Agreement when providing Services.

(c) From time to time, we may establish additional terms, conditions, policies, guidelines, standards, and rules that will apply to the Services that your company provides under this Agreement. We call these "Program Policies". The initial Program Policies are included in Exhibit A attached to this Agreement. We may modify, supplement, or add new Program Policies by notifying your company or by including updated Program Policies in the online portal through which you will manage your company's business with Amazon (the "Portal"). Program Policies are incorporated by reference in this Agreement, which means that Program Policies form a part of your company's contract with Amazon as if they were written in their entirety in this Agreement.

2. Use of Mobile Technology and Licensed Materials.

(a) Mobile Technology. We may establish requirements regarding the use of mobile technology, including phone, text, SMS, or mobile applications (collectively, "Mobile Technology"), and your company will use the Mobile Technology in accordance with our instructions when providing the Services.

(b) Licensed Materials. We expect to provide your company with access to tools, software, applications, technology (including Mobile Technology), content, and trademarks (together with any related manuals and other documentation, collectively, "Licensed Materials") to assist you in the operation of your company and to enable your company to more effectively provide the Services. If we make any Licensed Materials available to your company, Amazon grants your company, during the Term, a limited, nonexclusive, non-transferable, non-sublicensable, revocable license to use the Licensed Materials solely for the purpose of performing the Services. Neither your company nor any of its employees, contractors, subcontractors, agents, and representatives (including, for the avoidance of doubt, any individual that your company assigns to perform the Services) ("Personnel") will copy, distribute, sublicense, modify, decompile, reverse engineer, or make derivative works based on the Licensed Materials or any part of the Licensed Materials. AMAZON LICENSES THE LICENSED MATERIALS TO YOUR COMPANY "AS IS" AND MAKES NO WARRANTIES OF ANY KIND REGARDING THE LICENSED MATERIALS, INCLUDING WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE. AMAZON DOES NOT WARRANT THAT THE LICENSED MATERIALS WILL MEET YOUR REQUIREMENTS OR WILL OPERATE UNINTERRUPTED, ERROR FREE OR PROVIDE ACCURATE, COMPLETE, OR UP-TO- DATE INFORMATION. AMAZON WILL NOT BE RESPONSIBLE FOR ANY LOSS, DAMAGE, OR CLAIM CAUSED BY OR ATTRIBUTABLE TO ANY DEFECT OR DEFICIENCY IN ANY LICENSED MATERIALS.

3. Payment Terms. We will pay your company for providing Services based on the applicable rate structure(s) and payment terms described in the Program Policies ("Payment Terms"). If your company owes any amounts to us, or we pay or are obligated to pay any third party in satisfaction of any obligation (contractual or otherwise) your company fails to meet, we can deduct those amounts directly from the payments Amazon makes to you. Your company may charge and Amazon will pay applicable national, provincial or local sales or use taxes or value added taxes that your company is legally obligated to charge ("Taxes"), provided that such Taxes are stated on the original invoice that your company provides to Amazon and your company's invoices state such Taxes separately and meet the requirements for a valid tax invoice. Amazon may provide your company with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, your company will not charge and or collect the Taxes covered by such certificate. Amazon may deduct or withhold any taxes that Amazon may be legally obligated to deduct or withhold from any amounts payable to your company under this Agreement, and payment to your company as reduced by such deductions or withholdings will constitute full payment and settlement to your company of amounts payable under this Agreement. Throughout the term of this Agreement, your company will provide Amazon with any forms, documents, or certifications as may be required for Amazon to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

4. Representations and Obligations.

(a) Your company represents and confirms to us, and agrees that:

(i) your company is a legal entity duly formed or incorporated, validly existing, and in good standing in its jurisdiction of formation or incorporation, and has all necessary power and authority to enter into and perform its obligations under this Agreement;

(ii) no person who directly or indirectly owns or holds any equity, financial (including debt), or other interest (including by contract) in your company also directly or indirectly owns any equity, financial (including debt), or other interest (including by contract) in any other delivery service partner participating in the Program; and

(iii) your company and its Personnel will at all times:

(A) perform the Services in a competent and workmanlike manner in accordance with the level of professional care customarily observed by highly skilled professionals rendering similar services;

(B) comply with all laws, rules, and regulations, including all applicable employment laws ("Laws");

(C) hold, maintain, and comply with all licenses, permits, authorities, and approvals required to perform the Services ("Licenses");

(D) notify Amazon immediately after becoming aware that any License has expired or been lost or suspended, or if your company or its Personnel are found by any governing authority to have violated any Law in connection with providing Services;

(E) comply with Amazon's and any third party's safety policies related to Amazon's or the third party's premises and cargo; and

(F) not infringe or misappropriate any third party's trademarks, trade secrets, confidentiality rights, copyrights, patents, or any other intellectual property or proprietary rights ("Proprietary Rights").

(b) Your company and its Personnel will comply with Amazon's Supplier Code of Conduct posted at http://www.amazon.com/gp/help/customer/display.html?ie=UTF8&nodeId=200885140.

(c) We make no promises or representations as to the amount of business that your company can expect at any time under this Agreement. Your company can accept or reject any opportunity offered by us. We may give your company route plans, forecasts, or other projections, but any plans, forecasts, and other projections are subject to change and will not bind Amazon. We may engage the services of other companies that perform similar services as those provided by your company, and your company may perform similar services for other customers. We do not make any promise and do not guarantee that your company will earn any level of revenue, income, or profits, or that what your company earns will exceed the investment in your company's business. The results of your company's business will depend on your own efforts and management of your company's expenses. Amazon does not require your company to maintain a fixed place of business in the area(s) in which your company provides Services.

5. Audits and Records Retention; Data Collection and Use.

(a) Audits and Records Retention. Your company will keep true and complete records relating to the Services and this Agreement, including with respect to any payments your company makes to any other person (including your company's Personnel) or entity (collectively, "Records"). Amazon and its designees may inspect the Records to verify your company's compliance with both applicable Law and this Agreement, including the Program Policies. For example, we may inspect paystubs and other Records to confirm that your company is complying with applicable employment standards Laws and may inspect your company's insurance policies and certificates of insurance to confirm that your company maintains the applicable insurance required by the Program. Your company will obtain all required consents from its Personnel permitting the use and disclosure of this information to Amazon for the purpose of ensuring compliance with applicable Law and this Agreement, including the Program Policies.

Within [***] of a request, your company will provide us with access to, and electronic copies of, all Records requested by us in a form satisfactory to us. Your company will permit Amazon and its designees to conduct an inspection of any facility from which you operate or conduct business within [***]of our request. Our rights under this paragraph will survive for three years after your company stops providing the Services.

(b) Data Collection and Use. You acknowledge that data or other information will be collected or generated as your company and its Personnel provide the Services. That information or data may be generated and held by you, your Personnel or a third party service provider you work with (such as your telematics or payroll provider), or may be generated and held by Amazon through use of Mobile Technology, a website, or a telematics or e-logging device by you or your Personnel. Together this data is referred to as "Collected Data".

The Collected Data may include the geo-location of your company's Personnel, and related tracking data, including location, movements, speed of travel, and personally identifiable information of your company's Personnel. It may also include your company's Records.

To the extent it is not already in Amazon's possession, you will provide us with any and all Collected Data upon our request. Certain types of Collected Data may be collected and stored by third parties, and your company authorizes any third party with access to Collected Data to provide that Collected Data to Amazon. Your company consents to Amazon's collection and use of Collected Data and agrees to obtain all consents from its Personnel or other third parties (prior to or at the time of the collection of the Collected Data) to enable us to collect and use Collected Data for the purpose of this Agreement or the Program Policies. Your company agrees that Amazon owns all Collected Data and that we may use Collected Data and share Collected Data with third parties in our discretion. Your company waives and releases Amazon from all claims arising out of or in any way related to our collection, use, or sharing of Collected Data. Your company further agrees to indemnify Amazon with respect to any claims arising out of or in any way related to the transfer of Collected Data from your company or third parties to Amazon and the failure by your company to obtain the required consents from Personnel.

6. Termination.

(a) In addition to the right of either party to prevent the automatic renewal of this Agreement as set out in Section 1(a) above, this Agreement may be terminated as follows:

(i) your company may terminate this Agreement at any time and for any reason by giving us at least [***]prior written notice of termination; however, your company may not terminate this Agreement without cause with an effective date of termination during any November 1 through January 15 period, and any termination that would otherwise become effective during that period will be suspended until the next-occurring January 16; or

(ii) Amazon may terminate this Agreement by providing written notice to your company, (A) if your company breaches this Agreement (including, for the avoidance of doubt, any Program Policy) and fails to cure the breach (if the breach is capable of being cured) within [***]of receiving written notice of the breach from us, (B) if your company fails to meet the Service Level Standards set out in the Program Policies for a sustained period of time, as defined in the Program Policies, (C) if your company or any of its Personnel violates any applicable Law, (D) if any information that you or your company provides to Amazon (including in connection with Amazon's vetting and onboarding processes) is not true and complete in all material respects, (E) if we decide to close, or materially reduce the delivery volume at, a delivery station or other distribution point from which your company provides Services. (F) if your company repeatedly breaches this Agreement (including, for the avoidance of doubt, any Program Policy), whether or not your company cures one or more of the breaches, (G) at any time prior to your company beginning to provide Services under this Agreement, if you breach or your company breaches this Agreement (including, for the avoidance of doubt, any Program Policy) or if you or your company fails to comply in a timely manner with any requirements of the Program communicated by Amazon that must be completed prior to your company beginning to provide Services, including onboarding and pre-launch preparations such as DSPi and OEW, or (H) if your company fails to timely pay any amounts that are due and payable to any employee or third-party vendor (including any vendor in connection with any VAS Program).

(b) If the Payment Terms provide for a monthly per vehicle component with respect to the Services that your company provides and we reduce the number of delivery routes that we offer to your company, we may cease paying the monthly per vehicle component of the Payment Terms with respect to any excess vehicles by providing [***] prior written notice to your company.

(c) If your company breaches this Agreement (including, for the avoidance of doubt, any Program Policy) and at the time of the breach your company is leasing vehicles through a VAS Program (as defined below), then at our request, your company will return to the lessor of the vehicles the number of vehicles specified by us, and we will cease paying the monthly per vehicle component of the Payment Terms with respect to those returned vehicles. At our request, your company will also cease its participation in any other VAS Program (including, for example, any fuel card program) and will return to Amazon any equipment and other materials provided to your company by Amazon.

(d) If we terminate or decide to not renew this Agreement, we will not be liable for any severance payment, penalty, damages, loss of goodwill, or anticipated income or any expenditures, investments, leases, or commitments made by your company.

(e) In connection with the termination or non-renewal of this Agreement for any reason, your company will provide reasonable assistance to us in order to facilitate an orderly transition of the Services to Amazon or another service provider designated by us.

(f) The following sections of this Agreement will survive termination or non-renewal of this Agreement: Representations and Obligations; Audits and Record Retention; Data Collection and Use; Termination; Confidentiality; Information Security; Independent Contractor Relationship; Limitation of Liability; Indemnification; Governing Law; Submission to Arbitration; Remedies; Entire Agreement; Assignment; Construction; and Notices.

7. Confidentiality; Information Security.

(a) Your company and its Affiliates (as defined below) and their respective Personnel will:

(i) protect and not disclose the terms of this Agreement and any other information that is identified as confidential or that reasonably should be considered confidential to Amazon regardless of when received ("Confidential Information");

(ii) use Confidential Information only to fulfill your company's obligations under this Agreement; and

(iii) promptly return to Amazon or destroy Confidential Information when requested by us or when this Agreement is terminated or not renewed.

Your company will not, without our prior written consent, (A) use any trademark or other Proprietary Right of Amazon (except as otherwise expressly permitted by this Agreement), (B) issue press releases or other publicity relating to Amazon, the Program, or this Agreement, or (C) refer to Amazon or its Affiliates in any advertising or promotional materials. "Affiliate" means, with respect to any entity (the "subject entity"), any person or other entity that directly or indirectly controls, is controlled by, or is under common control with, the subject entity, where the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

(b) Your company will use any personally identifiable information concerning Amazon's customers, suppliers, employees, or contractors, including names, addresses, e-mail addresses, telephone numbers, building or community access codes, and financial information (collectively, "Personal Information" and together with Confidential Information, collectively, "Amazon Information"), solely for the purpose of providing Services and at all times in compliance with applicable privacy Laws. Your company will not transfer, disclose or sell Personal Information and will not develop lists of or aggregate Personal Information. Your company will delete Personal Information upon our request.

(c) Your company will comply with Amazon's standards for protecting the confidentiality and integrity of all transmissions of Amazon Information. Your company will immediately inform Amazon of any actual or suspected unauthorized access, collection, acquisition, use, transmission, disclosure, corruption, or loss of Amazon Information (each, an "Information Security Incident"), and your company will cooperate with Amazon and take all actions required by Amazon to rectify all Information Security Incidents. If your company is required by Law to retain archival copies of Amazon Information for tax or similar regulatory purposes, your company will store the Amazon Information in accordance with Amazon's information security policies in effect from time to time.

8. Insurance. Your company will comply with the insurance requirements set out in the Program Policies.

9. Value-Added Services. As a benefit of participating in the Program, your company will have access to value-added services programs arranged by Amazon with third-party vendors that have agreed to offer goods and services to assist your company in the operation of its business ("VAS Programs"). For example, VAS Programs may include offers for vehicle leasing, insurance, fuel cards, mobile devices, and uniforms. Any VAS Program is established solely for your company's consideration, and your company is not required to participate in any VAS Program in order to participate in the Program or to provide Services. Your company's participation in any VAS Program is not essential to the success of your company's business. We may, in our sole discretion, terminate or discontinue any VAS Program at any time without any liability to your company. Our establishment of any VAS Program does not result in our engagement in the underlying business of the VAS Program or confer upon Amazon any responsibility for, or liability from, the VAS Program, including compliance with any applicable licensing requirements. YOUR COMPANY WAIVES ALL CLAIMS IT MAY HAVE AGAINST AMAZON ARISING OUT OF OR RELATING TO ITS PARTICIPATION IN ANY VAS PROGRAM.

10. Independent Contractor Relationship. Your company is an independent contractor of Amazon. Your company has exclusive responsibility for its Personnel, including exclusive control over compensation, hours, and working conditions. Your company's Personnel are not eligible for any employee benefits available to employees of Amazon or any of its Affiliates. Neither your company nor any of its Personnel has any authority to bind Amazon to any agreement or obligation.

11. Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW:

(a) AMAZON WILL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING ECONOMIC LOSS, LOSS OF PROFITS, LOSS OF BUSINESS, DEPLETION OF GOODWILL, AND ANY OTHER SIMILAR LOSS; AND

(b) AMAZON'S AGGREGATE LIABILITY UNDER THIS AGREEMENT OR OTHERWISE IN CONNECTION WITH THE PROGRAM IS LIMITED TO THE TOTAL AMOUNT PAID BY AMAZON TO YOUR COMPANY FOR THE PARTICULAR SERVICES GIVING RISE TO LIABILITY IN THE SIX-MONTH PERIOD PRIOR TO THE EVENT(S) GIVING RISE TO THE CLAIM, EXCEPT THAT NOTHING IN THIS PARAGRAPH LIMITS AMAZON'S OBLIGATION TO PAY YOUR COMPANY FOR SERVICES RENDERED AS REQUIRED UNDER THE TERMS OF THIS AGREEMENT.

12. Indemnification. Your company agrees to defend and indemnify Amazon, its Affiliates, and its and their respective directors, officers, employees and agents (collectively, the "Amazon Indemnified Parties") and hold them harmless for any loss or damage incurred by them, or any claim brought by a third party against them arising out of or in connection with:

(a) any act or omission by you, your company, your or your company's Affiliates, or any of their respective Personnel, including any act or omission resulting in the death of or injury to any person, loss or damage to any property, or any other loss;

(b) your company's breach of this Agreement (including, for the avoidance of doubt, any of the Program Policies);

(c) any infringement or misappropriation of any Proprietary Right by you, your company, your or your company's Affiliates, or any of their respective Personnel;

(d) any negligence, strict liability act or omission, fraud, or willful misconduct of you, your company, your or your company's Affiliates, or any of their respective Personnel; or

(e) any failure by your company, or your or your company's Affiliates to satisfy any obligation (contractual or otherwise) to any third party, including any failure to pay amounts owed to a third party.

Subsection (a) through (e) above are referred to, collectively, as "Claims". Your company will not be liable under this Section 12 to the extent liability for a Claim is caused by the negligence or intentional misconduct of the Amazon Indemnified Parties, as determined by a final, non-appealable order of a court having jurisdiction.

Your company will not consent to the entry of a judgment or settle any Claim without the prior written consent of the Amazon Indemnified Parties. The Amazon Indemnified Parties may take control of the defense of any Claim at any time. If the Amazon Indemnified Parties do not take control of the defense of any Claim, your company will use counsel reasonably satisfactory to Amazon to defend the Claim. Your company's obligations under this paragraph are independent of your company's other obligations under this Agreement.

13. Governing Law; Submission to Arbitration. ANY DISPUTE OR CLAIM RELATING IN ANY WAY OR ARISING OUT OF THIS AGREEMENT WILL BE RESOLVED BY BINDING ARBITRATION, RATHER THAN IN COURT, except that your company may assert claims in small claims court if your claims qualify. The Arbitration Act of the province of Ontario applies to this agreement. THERE IS NO JUDGE OR JURY IN ARBITRATION, AND COURT REVIEW OF AN ARBITRATION AWARD IS LIMITED. HOWEVER, AN ARBITRATOR CAN AWARD ON AN INDIVIDUAL BASIS THE SAME DAMAGES AND RELIEF AS A COURT (INCLUDING INJUNCTIVE AND DECLARATORY RELIEF OR STATUTORY DAMAGES), AND MUST FOLLOW THE TERMS OF THIS AGREEMENT AS A COURT WOULD. To begin an arbitration proceeding, your company must send a letter requesting arbitration and describing your claim to our registered agent Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater, WA 98051. The arbitration will be conducted under the Arbitration Rules of the ADR Institute of Canada, Inc. (ADR Rules). The ADR's rules are available at http://adric.ca or by calling 1-877-475-4353. Payment of all filing, administration and arbitrator fees will be governed by the ADR's rules. Amazon will reimburse those fees for claims totaling less than CAD $10,000 unless the arbitrator determines the claims are frivolous. Likewise, Amazon will not seek attorneys' fees and costs in arbitration unless the arbitrator determines the claims are frivolous. Your company may choose to have the arbitration conducted by telephone, based on written submissions, or in person in the province where you live or at another mutually agreed location. YOUR COMPANY AND AMAZON EACH AGREE THAT ANY DISPUTE RESOLUTION PROCEEDINGS WILL BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS AND NOT IN A CLASS, CONSOLIDATED OR REPRESENTATIVE ACTION. If for any reason a claim proceeds in court rather than in arbitration YOUR COMPANY AND AMAZON EACH WAIVE ANY RIGHT TO A JURY TRIAL. Your company and Amazon also both agree that your company or Amazon may bring suit in court to enjoin infringement or other misuse of intellectual property rights. By entering into this Agreement, you agree that the Arbitration Act of the province of Ontario and the laws of the province of Ontario, without regard to principles of conflict of laws, will govern this Agreement and any dispute of any sort that might arise between your company and Amazon.

14. Modifications; Waivers. We may modify this Agreement (including, for the avoidance of doubt, the Program Policies) at any time by posting a revised version in the Portal or by otherwise providing notice to your company. Your company is responsible for reviewing this Agreement regularly to stay informed of any modifications. IF YOUR COMPANY CONTINUES TO PERFORM THE SERVICES AFTER THE EFFECTIVE DATE OF ANY MODIFICATION TO THIS AGREEMENT, YOUR COMPANY AGREES TO BE BOUND BY THE MODIFICATIONS. IF YOUR COMPANY DOES NOT AGREE TO THE MODIFICATIONS, YOUR COMPANY MUST STOP PERFORMING SERVICES. Neither party waives any right under this Agreement by failing to insist on compliance with any of the provisions, or by failing to exercise any of its rights. Any waivers granted are effective only if recorded in writing signed by an authorized representative of the party granting the waiver.

15. Remedies; Entire Agreement; Assignment; Construction. The parties' rights and remedies under this Agreement are cumulative. Your company acknowledges that any breach of this Agreement by your company would cause irreparable harm to Amazon for which Amazon has no adequate remedies at law. Accordingly, we are entitled to specific performance or injunctive relief for any breach of this Agreement by your company without the necessity of proving damages or posting bond.

If any portion of this Agreement is held to be invalid, then that provision will be modified to the extent necessary to give effect to the commercial intentions of the parties and to make it enforceable, and any invalidity will not affect the remaining provisions.

This Agreement (including, for the avoidance of doubt, the Program Policies) is the complete agreement of the parties relating to the Services and supersedes all prior agreements and discussions relating to the same.

Your company will not assign (including by merger, stock sale, operation of law, or any other means), subcontract, or delegate, any part or all of its rights or obligations under this Agreement without Amazon's prior written consent. Any attempt to do so in violation of this section is void in each instance. Amazon may assign this Agreement (or any of its rights and obligations under this Agreement or any Work Order): (a) to any of its affiliates; or (b) in connection with any merger, consolidation, reorganization, sale of all or substantially all of its assets or any similar transaction.

The use of the word "including" and similar terms in this Agreement will be construed without limitation. Each party and its counsel has reviewed and jointly participated in the establishment of this Agreement. No rule of strict construction or presumption that ambiguities will be construed against any drafter will apply.

16. Notices. We may provide notices to your company by email sent to any email address that your company has on file with us or that your company has otherwise designated to us. Notices to your company will be effective when sent by us. Your company may provide notices to us by pre-paid post requiring signature on receipt or personal delivery to the addresses set out below. Notices to Amazon will be effective when received by us.

Amazon Canada Fulfillment Services, ULC
Attention: Director, Amazon Canada Fulfillment Services, ULC
(if by USPS):
P.O. Box 81226
Seattle, WA 98108-1226
(if by courier):
410 Terry Avenue North
Seattle, WA 98109-5210;
with a copy to:
Attention: General Counsel
(same P.O. box and courier address)
and with a copy via email to:
[***]

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IN WITNESS WHEREOF, properly authorized representatives of the undersigned have executed this Agreement.

ParcelPal	AMAZON CANADA FULFILLMENT SERVICES, ULC
By: _____	By:
Name: Rich Wheeless	Name: Jasmin Begagic
Title: Chief Executive Officer	Title: Director, AMZL Canada Ops
Date: February 11, 2021	Date: February 11, 2021

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EXHIBIT A

Program Policies

Please see attached.

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CANADA PROGRAM POLICIES

Welcome to the Program

Welcome to the Delivery Service Partner Program (the "Program"), where your company will have the opportunity to contract with Amazon and deliver packages and other products to Amazon customers. Amazon is excited that your company is participating in the Program.

Capitalized terms used but not defined in these Program Policies have the meanings ascribed to those terms in the Delivery Service Partner Program Agreement (the "Program Agreement"). These Program Policies are subject to change from time to time at Amazon's sole discretion. As provided in the Program Agreement, Amazon has the right to audit your company's compliance with any of the below Program Policies and applicable Law.

Program and Compliance Requirements

Unless otherwise specified in writing by Amazon (including in any separate Program Policy that is posted in the Portal), the following Program and Compliance Requirements apply to your company in connection with the Program. Amazon reserves the right to prohibit any of your company's employees who fail to comply with the Program and Compliance Requirements from delivering Amazon packages, otherwise providing Services, or coming onto Amazon property. Failure to meet the Program and Compliance Requirements may result in your company needing to take immediate action to remediate and could result in loss of incentives/bonuses, route reductions, and/or termination of your company's Program Agreement.

A. Insurance requirements

Your company must meet the following insurance requirements in order to participate in the Program:

1) Your company must obtain and maintain at all times during which your company provides Services the following types and levels of insurance:
   - Commercial General Liability insurance with limits of not less than [***] per occurrence and CAD [***] in the general aggregate;
   - Business Automobile Liability insurance under applicable Law with a limit of not less than CAD [***] per occurrence for bodily injury and property damage combined; and
   - Workers' Compensation insurance as required by law and Employer's Liability Insurance with a limit of not less than CAD [***].

2) Each of your company's insurance policies must:
   - Provide that coverage limits won't be reduced below the limits required above and won't be canceled or allowed to expire without at least [***] prior written notice from the insurance carrier to Amazon;
   - For Commercial General Liability and Business Automobile Liability, name Amazon and its Affiliates, and their respective officers, directors, employees, successors, assigns, licensees, distributors, contractors and agents as additional insureds ("Amazon Additional Insureds");
   - Provide coverage on an occurrence basis;
   - Waive any insurer right of subrogation against Amazon Additional Insureds;
   - Provide primary coverage, without any right of contribution from any other insurance that Amazon or any of its Affiliates may have;
   - Identify Amazon Canada Fulfillment Services, ULC c/o RMIS, 5388 Sterling Center Drive, Westlake Village, CA 91361 as the Certificate Holder on the insurance policy to allow Registry Monitoring Insurance Services, Inc. to conduct continuous monitoring of insurance and operating authority; and
   - Enroll your company with Registry Monitoring Insurance Services, Inc. via an invitation sent from Amazon.

B. Vehicle specification requirements

In connection with performing Services, your company must register delivery vehicles with Amazon and those delivery vehicles must:

- [***];
- [***];

- Comply with all applicable Laws (including with respect to inspections, registration, and required vehicle markings);
- [***]; and
- [***].

C. Branding Requirements

Your company can choose to be a "branded" or an "unbranded" delivery service partner.

To qualify as branded:

- [***];
  - [***];
  - [***];
  - [***];
  - [***].
- Your company must lease vehicles through the Vehicle Leasing Program, [***].
  - Your company may use vehicles leased through the Vehicle Leasing Program solely to provide Services to Amazon and not for any other purpose.

If your company is "unbranded", your company's vehicles must display no branding or advertising (aside from standard branding of a rental company on any rental vehicles) and DAs, [***].

D. Delivery device requirements

Your company must supply delivery devices (including data plans) for DAs to use while performing Services. DAs must use your company devices while performing Services, and the devices should satisfy the following specifications:

- [***];
- [***];
- [***];
- [***].

E. Eligibility requirements for your company's employees

All individuals that your company assigns to provide Services must be employees as opposed to independent contractors. Your company must not engage any independent contractors or any other subcontractors to perform the Services without Amazon's prior written consent.

To be eligible to perform Services, you and your company's employees must meet the following requirements before providing Services:

- Be at least 21 years of age and have a valid drivers' license of the type required to operate the applicable motor vehicle;
- Be at least 18 years of age if acting in a non-driving capacity;
- Pass a criminal background check in accordance with Amazon's standards (included as an onboarding step in the Portal);
- Provide a driver's record or abstract in accordance with Amazon's standards (included as an onboarding step in the Portal, and applicable to motor vehicle operators only);

- Sign and agree to consent forms that allow your company to share with Amazon results of their compensation information, performance management/disciplinary actions, and any other information that Amazon may request in connection with exercising its audit rights;
- Sign and agree to a confidentiality and non-disclosure agreement to protect customer and Amazon confidential information and data; and
- Sign and agree to an arbitration agreement with a class action waiver.
- Complete applicable training programs specified by Amazon.

Additionally, on an ongoing basis:

- Your company's employees may be required to pass additional background checks and/or provide driver's records or abstracts as determined by Amazon in order to be eligible to provide Services;
- Your company is required to conduct drug and alcohol testing on your company's driver following an automobile accident (a) that results in (i) human fatality, (ii) bodily injury to any party that requires treatment away from the scene, or (iii) disabling damage to any motor vehicle that requires a tow away. If your company's driver fails or refuses to submit to drug and alcohol testing, without good reason, the driver will no longer be permitted to provide Services; and
- Your company is required to conduct drug and alcohol testing on your company's employee when there is reasonable suspicion that he or she is under the influence of drugs or alcohol.
    - Your company must develop a policy for determining when reasonable suspicion exists and perform assessments and tests in accordance with that policy. Your company will be required to maintain appropriate records related to re-screening.
    - An Amazon representative can require your company to perform a reasonable suspicion test if he or she reasonably suspects that one of your company's employees is under the influence of drugs or alcohol.

F. Wage, Hour, and Benefits Requirements

The below requirements are in addition to the minimum employment standards requirements with which your company must comply under applicable Law:

- Your company must pay its non-exempt employees on the basis of an hourly compensation structure and pay any applicable overtime, and not on a per route, per block, or per day basis;
- The hourly wage rate that your company pays its non-exempt employees must be no less than the greater of (i) the minimum wage required by applicable law, and (ii) the hourly wage specified in the Delivery Service Partner Program Wage Table that can be found on the Portal;
- Your company will not make any non-mandatory deductions from its employees' wages, charge its employees or job applicants for any costs, or require any security deposits from employees or job applicants including any deductions, charges, or deposits for uniforms or delivery devices, background checks, drug tests, vehicle damages, vehicle repairs, parking tickets, insurance deductibles, or any other insurance related costs;
- Your company must electronically track and record the hours worked by your company's employees (including unpaid breaks, e.g. meal breaks) and accurately pay each of your company's employees in a timely manner that complies with all applicable laws. Unless otherwise permitted in writing by Amazon, your company must adopt ADP payroll and time tracking software and allow Amazon to access your company's data;
    - Your company must offer all of its employees working scheduled shifts of eight hours or longer an unpaid, uninterrupted meal break of at least 30 minutes, including a longer meal break if required by provincial or federal law, as well as two paid 15 minute rest breaks. To the extent applicable law requires your company to provide employees with additional breaks, your company will comply with those requirements. Your company's employees must record these breaks within the time tracking and attendance applications within ADP.
- Your company is required to offer health and dental care coverage that, at a minimum, meets the requirements indicated by Amazon to all of your employees who, with respect to any month, are employed on average at least 30 hours of service per week. The waiting period for such coverage must be no longer than 30 days from date-of-hire;
- Your company must offer all DAs vacation time and vacation pay:
    - DAs with less than 5 years of service must be entitled to a minimum of two weeks' vacation time after each 12 month vacation year, and 4% of the DAs wages (as defined by applicable provincial law) for that year;
    - DAs with more than 5 years of service must be entitled to a minimum of three weeks' vacation time after each 12 month vacation year, and 6% of the DAs wages (as defined by applicable provincial law) for that year; and

- Upon termination or resignation of a DAs employment, all accrued but unpaid vacation pay must be paid to the DA, even if the DA has not reached 12 months of service.
- If provincial law requires you to offer greater amounts of vacation time or pay, you must at a minimum offer the greater amount.

G. Seasonal Employees

During the peak holiday season, your company may employ "Seasonal Employees" to perform Services on its seasonal (e.g. temporary) routes with reduced branding, and health care coverage requirements, as follows:

- Seasonal Employees must be hired via job postings and employment contracts specifying a contractual starting date no earlier than October 15 and an ending date of no later than January 15 as well as be designated as seasonal/temporary in your payroll systems;
- Your company is not required to offer Seasonal Employees the health care coverage as described in Section G above; and
- Seasonal Employees can satisfy their branding requirements by wearing an Amazon branded vest purchased by your company through an Amazon approved vendor while performing Services rather than through wearing Amazon branded tops and bottoms as described in Section D above.

Your company will convert any Seasonal Employee employed by your company past January 15 to non-Seasonal, and all normal branding and health care coverage requirements will apply to that employee of your company.

H. Standards of professional conduct

While performing Services or while on Amazon property, or otherwise while acting on behalf of your company, your company and its employees must:

- Be professional at all times;
- Protect and respect customer experience, packages, and property, and not steal, dispose of, or mishandle any packages or property and not enter the homes of any customers, unless explicitly requested by Amazon in the performance of Services (e.g. scheduled in-home deliveries);
- Not possess or use any weapon, improvised weapon, or makeshift weapon, including any firearms or knives;
- Not possess, sell, purchase, use, or be under the influence of illegal drugs, alcohol, or any medications or substances that impair driving abilities;
- Not engage in violent, threatening, or offensive acts, behaviors or gestures (physical or verbal) towards any other person, including Amazon employees, other Amazon suppliers with whom they may come into contact, Amazon customers, or the general public;
- Immediately report to the On Road Emergency Hotline (844-311-0406) any interactions, incidents, or occurrences that may impact customer trust of your company or of Amazon, including safety incidents described below in the Safety and Service Standards, any violations of Law, any negative interactions with customers or the general public, or any vehicle accidents that result in human fatalities, bodily injuries to any party that require treatment away from the scene, or any disabling damage to motor vehicles that require a tow away; and
- Not use the Amazon account ("log-in") of any other individual or divulge their account information to another individual (e.g. credential sharing);

I. Non-solicitation requirements

While on Amazon property, or when interacting with Amazon customers in connection with providing Services, your company and its employees must not participate in any solicitation of any kind, including the distribution of any literature or materials; the sale of merchandise, products, or services; seeking financial contributions, memberships, subscriptions, or signatures; or the distribution of advertisements or other commercial materials.

J. Delivery Station Safety Standards

While on Amazon property, your company and its employees must meet the following safety requirements:

- At all times wear a reflective safety vest and any other required personal protective equipment and display their Amazon issued identification badge;
- Never wear headphones;

- When operating motor vehicles:
  - Have the hazard lights ("flashers") turned on;
  - Not exceed 8 Kilometers per hour;
  - Honk the horn to alert bystanders when entering or exiting the Amazon facility or while accelerating from a stopped position within the facility;
  - Never leave a vehicle "idling" within the facility;
  - Always leave unattended vehicles in "park", with the parking brake engaged;
  - Always use a spotter when operating a vehicle in reverse; and
  - Always follow locally posted safety instructions; and
- When handling packages marked as "Heavy" or "Team Lift":
  - Always use a dolly to transport/move packages and do not leave packages unattended on a dolly;
  - Always push the dolly; and
  - Ask for assistance in transporting/moving packages that you cannot safely move yourself.

K. On-road Safety Standards

While performing Services, your company and its employees must meet the following safety and compliance requirements:

- Comply with all applicable Laws pertaining to general and commercial motor vehicle operation, the environment, health, and safety (including with respect to speed and distracted driving);
- Wear a seat belt while providing Services, even if not required by applicable Law;
- At all times wear closed-toed shoes;
- When handling packages marked as "Heavy" or "Team Lift":
  - Always use a dolly to transport/move packages and do not leave packages unattended on a dolly;
  - Always push the dolly; and
  - Ask for assistance in transporting/moving packages that you cannot safely move yourself.
- Immediately notify the On Road Emergency Hotline (844-311-0406) in the event of a significant safety incident or any other sensitive incidents that may impact customer trust of your company or Amazon, including any incidents involving any fatalities, injuries, damage to vehicles resulting in the need of a tow, assault, robbery, vehicle/package theft, physical or verbal threats, harassment, dog bites, trailing or following, and property damage;
- Notify Amazon's Dangerous Goods Compliance department (at the phone number or email address designated by Amazon for this purpose) promptly (and in any event within 24 hours) after becoming aware of any (a) injury to persons, property damage, environmental damage, fire, breakage, spillage, leakage, or any other accident or incident involving any product defined, designated, or classified as hazardous material, hazardous substance, or dangerous good (including limited and excepted quantities, consumer commodity, ORM-D, lithium batteries, and radioactive and magnetic materials) under any applicable Law and transported by your company under the Program Agreement (collectively, "Hazardous Materials"), (b) event or circumstance involving Hazardous Materials that violates or is reasonably likely to violate any applicable law, rule, or regulation, or (c) investigation of any shipment containing Hazardous Materials by any governmental agency or authority; and
- Notify any required federal, provincial, local or other authority in the event of an incident which is reportable under applicable Law.

L. [***]

[***]

- [***];
- [***];
- [***];
- [***];
- [***];
- [***];
- [***];

- [***];
- [***];
- [***];
- [***];
- [***].

[***]

[***].

A. [***]

[***]:

1) [***]:
   a) [***].
   b) [***].
   c) [***].
   d) [***].

2) [***]:
   a) [***].

3) [***]:
   a) [***].
   b) [***].
   c) [***].

4) [***]
   a) [***].
   b) [***].

[***]

[***]:

1. [***]
2. [***]
3. [***]
4. [***]

[***]

[***]

A. [***]

B. [***]

C. [***]

D. [***]

E. [***]

F. [***]

G. [***]

H. [***]

I. [***]

J. [***]

K. [***]

L. [***]

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Exhibit 10.5

GENERAL DELIVERY SERVICE AGREEMENT

between

ParcelPal Technology Inc.

and

Bayshore Pharmacy

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Parties

(1) ParcelPal Technology Inc., a corporation existing under the laws of the Province of British Columbia, Canada, having a registered office at 190 Alexander Street, Suite 305, Vancouver, British Columbia, V6A 2S5 ("**ParcelPal**").

(2) Bayshore Pharmacy Inc, a corporation existing under the laws of Canada, having a registered office 2828 152 Street, Suite 206 Surrey, BC V4P 1G6 ("**Bayshore Pharmacy**").

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions.

- **Affiliate**: any entity that directly or indirectly Controls, is Controlled by, or is under common Control with another entity.

- **Applicable Laws**: all laws, statutes, regulations, judgments and decrees and all official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, orders and policies of any governmental or regulatory body, that are applicable to a party in the performance of this Agreement.

- **Business Day**: Sunday to Saturday except for statutory holidays observed in Canada which may be subject to additional costs when performing deliveries on such days.

- **Control**: the possession, directly or indirectly, of the power to direct the management and policies of a person, whether through the ownership of voting securities or otherwise.

- **Customer:** a customer of Bayshore Pharmacy.``

- **ParcelPal Materials**: all documents, information, items and materials in any form, whether owned by ParcelPal or a third party, which are provided by ParcelPal to Bayshore Pharmacy in connection with the DP Platform, DP Service and DP Service Levels.

- **DP Platform** the technology platform used by ParcelPal.

- **DP Service:** the provision by ParcelPal via the DP Platform of delivery drivers/couriers to make deliveries and the facilitation of the dispatch of delivery orders to such drivers/couriers.

- **DP Service Levels:** means the service levels in relation to the DP Service set out in this agreement in section 3 and 4 for both parties responsibilities and obligations.

- **Effective Date:** the date the terms of this agreement take effect – April 5, 2021.

● **Force Majeure Event:** any circumstance not within a party's reasonable control which has not been caused by such party's negligence and which such party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost, including, but not limited to the following:

a. acts of God, flood, drought, earthquake or other natural disaster;

b. epidemic or pandemic;

c. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;

d. nuclear, chemical or biological contamination or sonic boom;

e. any law or any action taken by a government or public authority, including imposing an export or import restrictions, quota or prohibition, or failing to grant a necessary license or consent;

f. collapse of buildings, fire, explosion or accident; and

● **Taxes**: goods and services tax and harmonized sales tax payable under the *Excise Tax Act* (Canada), plus any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.5 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.7 This agreement shall be binding on, and ensure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re- enacted from time to time.

1.9 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.10 A reference to **writing** or **written** includes fax and email.

1.11 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.12 A reference to **this agreement** or to any other agreement or document referred to in this agreement is a reference of this agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.

1.13 References to clauses and Schedules are to the clauses and Schedules of this agreement and references to paragraphs are to paragraphs of the relevant Schedule.

1.14 Where the word **including** or **include** is used in this agreement, it means "including (or includes) without limitation", and any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Bayshore Pharmacy's Responsibilities / Obligations

2.1 Bayshore Pharmacy shall:

(a) Provide ParcelPal with daily service requirements with [***] advance notice;

(a) Upload csv manifest to the ParcelPal delivery portal for all orders
   a. [***]
   b. [***]

(b) Provide a non-binding [***] forecast of demand by end of [***] (i.e. [***] scheduled deliveries / updates on new onboarded care homes); .

(c) Tender packages individually identified to ParcelPal complete with order number, customer name, complete address, postal code, buzzer number, phone number, email, and any specific notes for drop offs;

(d) Co-operate with ParcelPal in all matters relating to the DP Service through proper channels of communication for each request.

(e) Not hire any ParcelPal employee or contractor to perform similar services while this agreement is in effect.

(f) Provide ParcelPal with any requests for credit resulting from damaged packages or negative customer service escalations via email within [***]of occurrence along with supporting information:

   a. Date, time and order number
   b. Photo of damage
   c. Any other relevant proof of claim.

2.2 If the performance of ParcelPal's obligations under this agreement is prevented or delayed by any act or omission of Bayshore Pharmacy its agents, sub-contractors, consultants or employees, then, without prejudice to any other right or remedy it may have, ParcelPal shall be allowed an extension of time to perform its obligations equal to the delay caused by Bayshore Pharmacy.

2.3 Bayshore Pharmacy shall appoint a named individual (whose contact details shall be provided to ParcelPal and updated as necessary from time to time) who shall have authority to bind Bayshore Pharmacy contractually on all matters relating to this agreement.

3. ParcelPal's Responsibilities / Obligations

3.1 ParcelPal shall:

a. Provide Bayshore Pharmacy with next day and same day delivery services as requested for the 2828 152 Street, Suite 206 South Surrey, BC V4P 1G6 pharmacy location.

b. Provide Next Day delivery;
   i. Between [***]
   ii. Within an [***]delivery window from time of pick up
   iii. On all manifests provided [***]in advance
   iv. Pick up at [***][***], in accordance with Appendix C unless changed with written notice / request to ParcelPal [***] in advance

c. Provide Same Day delivery;
   i. Between [***]
   ii. Within an [***]delivery window from time of pick up
   iii. On all manifests provided less than [***]in advance - by [***]the day of delivery pick up
   iv. Pick up at [***], [***], in accordance with Appendix C unless changed with written notice / request to ParcelPal [***] in advance

d. Provide to Bayshore Pharmacy in a timely manner all ParcelPal Materials required in order for Bayshore Pharmacy to avail the DP Services and ensure that they are accurate and complete;

e. Provide to Bayshore Pharmacy from time to time such assistance as Bayshore Pharmacy may reasonably require accessing the DP Service;

f. Obtain and maintain all necessary licenses and consents and comply Applicable Laws to provide the DP Services;

g. Allow and provide Bayshore Pharmacy access to such information as Bayshore Pharmacy may reasonably require (including data, security access information and software interfaces of other business software application of ParcelPal) to provide a delivery service to the Customers;

h. Ensure that during the Term the DP Platform makes available to Bayshore Pharmacy in a timely manner time stamped updates from the delivery vehicles/riders and a method of vehicle/driver tracking which can be pushed through API;

3.2 If Bayshore Pharmacy's performance of its obligations under this agreement is prevented or delayed by any act or omission of ParcelPal, its agents, subcontractors, consultants or employees, then, without prejudice to any other right or remedy it may have, Bayshore Pharmacy shall be allowed an extension of time to perform its obligations equal to the delay caused by ParcelPal.

3.3 ParcelPal shall use its best endeavors during the Term to ensure that the fleet of delivery vehicles adhere to the service level agreements with Customers, details of which shall be provided to ParcelPal by Bayshore Pharmacy as requested.

3.4 ParcelPal shall appoint a named individual (whose contact details shall be provided to Bayshore Pharmacy and updated as necessary from time to time) who shall have the authority to bind ParcelPal contractually on all matters relating to this agreement.

4. Charges and Payment

4.1 Bayshore Pharmacy will be charged in accordance with the following rate table on all deliveries made within the zones in Appendix B, and any applicable surcharges in Appendix A:

Base Rate Per Next Day Stop	[***]
Base Rate Per Same Day Stop	[***]
Charge Per Additional Package	[***]
Ad-Hoc Rate Per Package	[***]
Total Discount Applied to Invoice	**Total Stops Per Pickup Location Per** [***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

The definitions of each service level charge are:

Next Day: orders placed [***]from time of pick up, [***].

Same Day: orders placed [***].

Additional Package: all orders placed are considered to be [***]. Orders with more than [***]will be eligible for this charge.

Ad-Hoc Package: packages given to a driver on an existing order at time of pickup not previously stated on the existing order which must be manually added to the manifest by the driver.

Orders placed outside delivery zones in Appendix B and predefined order placement windows will be considered "ad-hoc orders" subject to the next day, same day, and/or ad-hoc rate in addition to a [***]charge.

4.2 ParcelPal shall invoice Bayshore Pharmacy at the end of [***]for DP Service performed during that [***]. Billing will be sent out no later than [***]after the [***].

4.3 Bayshore Pharmacy shall pay each undisputed invoice or amounts within such invoice as are undisputedly submitted to it by ParcelPal within [***]of receipt.

4.4 All sums payable to ParcelPal under this agreement are exclusive of Taxes, and Bayshore Pharmacy shall in addition pay an amount equal to any Taxes chargeable on those sums on delivery of an invoice for such Taxes.

5. Consequences of Termination

5.1 This agreement shall commence on the Effective Date and expire on April 5, 2022 (the "**Initial Term**"), unless earlier terminated in accordance with this agreement, provided that if a termination notice is not provided by either party on or prior to [***]prior to the end of the Initial Term, this agreement shall automatically renew for successive one-year terms (each, a "**Renewal Term**", and together with the Initial Term, the "**Term**").

5.2 This Agreement may be terminated in the following circumstances:

(a) By Bayshore Pharmacy for convenience upon [***] written notice to ParcelPal;

(a) Immediately by a party if the other party fails to perform or is otherwise in breach of its obligations under this agreement, provided that the non-breaching party first provides a written notice to the breaching party, and in the event that the breach is capable of remedy, the breaching party shall have [***]to remedy the breach;

(b) By a party upon a Force Majeure Event in accordance with Section 6.4;

(c) Automatically if either party shall cease to have the licenses and/or accreditations necessary for it to conduct the business or perform its obligations contemplated for it hereunder, or if such party otherwise ceases to conduct business; or

(d) Immediately by a party if the other party is subject to an order, judgment, or decree shall be entered by a court of competent jurisdiction or upon an application of a creditor, adjudicating a party to be bankrupt or insolvent, or approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator of such party or of all or a substantial part of its assets.

5.3 On termination or expiry of this agreement:

(a) Bayshore Pharmacy shall pay to ParcelPal all charges outstanding to ParcelPal and, in respect of the DP Service supplied but for which no invoice has been submitted, ParcelPal may submit an invoice;

(b) ParcelPal shall immediately end provision of the DP Service;

(c) ParcelPal shall immediately return to Bayshore Pharmacy any property of Bayshore Pharmacy provided by Bayshore Pharmacy to ParcelPal as part of the Service;

(d) Bayshore Pharmacy shall on request return any of ParcelPal materials used up in the provision of the service

(e) any provisions that by their nature survive termination of this agreement shall continue to apply.

5.4 Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

6. Force Majeure

6.1 Provided it has complied with clause 6.3, if a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (such party, an "**Affected Party"**), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

6.2 The corresponding obligations of the other party will be suspended, and it's time for performance of such obligations extended, to the same extent as those of the Affected Party.

6.3 The Affected Party shall:

(a) as soon as reasonably practicable after the start of the Force Majeure Event but no later [***] from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the agreement; and

(b) use all reasonable endeavors to mitigate the effect of the Force Majeure Event on the performance of its obligations.

6.4 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than [***], the party not affected by the Force Majeure Event may terminate this agreement by giving [***]written notice to the Affected Party.

7. Cargo Loss

7.1 ParcelPal be liable to Bayshore Pharmacy for loss, damage, or injury to the shipment(s) while such shipment(s) are in the possession or under the control of ParcelPal (including its subcontractors or agents) or resulting from ParcelPal (including its subcontractors or agents) performance of or failure to properly perform the transportation services provided for in this agreement or arising from any cause while in the possession of or under the control of ParcelPal (including its negligence); provided, however, that ParcelPal shall not be liable for any loss, damage or injury arising out of the acts or omissions of Bayshore Pharmacy' fridge space or Bayshore Pharmacy's consignees, employees or subcontractors of either, Force Majeure Event, the inherent nature of the shipment, their packing or packaging or the loading and unloading of the shipments by Bayshore Pharmacy.

7.2 All cargo loss credit requests must be submitted via email within [***]of occurrence to: [***], [***], [***]with:

(a) Date, time and order number
(b) Photo of damage
(c) Any other relevant proof of claim

8. Counterparts

8.1 This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

8.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If such method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter.

8.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

9. Confidentiality and Publicity

(a) As used in this Agreement, the words "**Confidential Information**" means all information which is disclosed at any time by one party (the "**Disclosing Party**") to the other party (the "**Receiving Party**") which the Disclosing Party considers confidential, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not identified as confidential information, including, without limitation, technical, business, financial and marketing information, information on patients or residents, personal health information and other information about identifiable individuals. "Confidential Information" shall not include such portions of the Confidential Information which (i) become generally available to the public other than as a result of a disclosure by the Receiving Party in breach hereof, (ii) are received by the Receiving Party from an independent third party who had obtained the Confidential Information lawfully, (iii) the Receiving Party can show were in its lawful possession before it received such Confidential Information from the Disclosing Party, or (iv) the Receiving Party can show was independently developed by the Receiving Party or on the Receiving Party's behalf.

(b) The Receiving Party agrees to (i) hold in strict confidence all Confidential Information of the Disclosing Party, (ii) use the Confidential Information solely to perform its obligations or to exercise its rights under this Agreement, and (iii) use the same degree of care to protect Confidential Information in its possession as it uses to protect its own Confidential Information of like nature, but in no circumstances less than reasonable care.

(c) In the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information, the Receiving Party will promptly provide the Disclosing Party with written notice so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement.

(d) Except as required by Applicable Law, neither party shall make any public reference in any manner (including without limitation in any press release, customer list, website, presentation or other media or method) to the other party, this agreement, or the relationship created thereby without the prior written consent of the other party.

10. Mutual Indemnification

10.1 Each party agrees to indemnify and hold harmless the other with respect to any loss, damage or claim resulting from or relating to third party claims arising from or relating to its negligent acts or omissions or those of its representatives under this agreement.

11. Relationship Between the Parties

11.1 The relationship between ParcelPal and Bayshore Pharmacy is one of independent contractor. This agreement is not intended to create, and shall not be construed as creating, between the parties the relationship of principal and agent, joint venturers, partners or any similar relationship, the existence of which is hereby expressly denied, nor shall ParcelPal be considered in any sense an affiliate of the Bayshore Pharmacy or vice versa.

12. Governing Laws

12.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

13. Jurisdiction

13.1 Each party irrevocably agrees that the courts of the Province of British Columbia in the City of Vancouver shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation. This agreement has been entered into as of the date first set out above.

14. Assignment

14.1 Neither party may assign this agreement without the prior written consent of the other party.

15. Time of Essence

15.1 Time shall, in all respects, be of the essence of each and every part of this agreement.

16. Signatures

IN WITNESS HEREOF each Party hereto has caused this agreement to be executed by its duly authorized representatives.

Bayshore Pharmacy:

Signature: _____

Date of Signature: 2021/03/31

Name: Erin Smith

Title:

ParcelPal Technology Inc.

Signature:

Date of Signature: 2021/03/31

Name: Charles McGee

Title: VP Operations

Appendix A: Delivery Rates / Additional Charges

ParcelPal Additional Charges		
Item	**Description**	**Cost (CAD $)**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
ParcelPal Redelivery Attempts Charges		
[***]	[***]	[***]
[***]	[***]	[***]
ParcelPal Returns and Reverse Logistics Charges		
[***]	[***]	[***]

Appendix B: Service Map

[***]

Appendix C: Hours of Operations
Note: All times in PST

Service Hours

Day	Opening Hours	First Pick up	Last Pick Up	Closing Hours
Monday	[***]	[***]	[***]	[***]
Tuesday	[***]	[***]	[***]	[***]
Wednesday	[***]	[***]	[***]	[***]
Thursday	[***]	[***]	[***]	[***]
Friday	[***]	[***]	[***]	[***]
Saturday	[***]	[***]	[***]	[***]
Sunday	[***]	[***]	[***]	[***]

[***]

Appendix D: Personnel Contact List

Name	Company	Email	Phone
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Exhibit 10.6

GENERAL DELIVERY SERVICE AGREEMENT

between

ParcelPal Technology Inc.

and

Oco Meals

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Parties

(1) ParcelPal Technology Inc., a corporation existing under the laws of the Province of British Columbia, Canada, having a registered office at 190 Alexander Street, Suite 305, Vancouver, British Columbia, V6A 2S5 ("**ParcelPal**").

(2) Oco Meals, a corporation existing under the laws of Canada, having a registered office at 138 West 6th Avenue Vancouver, BC V5Y 1K6 ("**Oco Meals**").

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions.

- **Affiliate**: any entity that directly or indirectly Controls, is Controlled by, or is under common Control with another entity.

- **Applicable Laws**: all laws, statutes, regulations, judgments and decrees and all official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, orders and policies of any governmental or regulatory body, that are applicable to a party in the performance of this Agreement.

- **Business Day**: Sunday to Saturday except for statutory holidays observed in Canada which may be subject to additional costs when performing deliveries on such days.

- **Control**: the possession, directly or indirectly, of the power to direct the management and policies of a person, whether through the ownership of voting securities or otherwise.

- **Customer:** a customer of Oco Meals.``

- **ParcelPal Materials**: all documents, information, items and materials in any form, whether owned by ParcelPal or a third party, which are provided by ParcelPal to Oco Meals in connection with the DP Platform, DP Service and DP Service Levels.

- **DP Platform** the technology platform used by ParcelPal.

- **DP Service:** the provision by ParcelPal via the DP Platform of delivery drivers/couriers to make deliveries and the facilitation of the dispatch of delivery orders to such drivers/couriers.

- **DP Service Levels:** means the service levels in relation to the DP Service set out in this agreement in section 3 and 4 for both parties responsibilities and obligations.

- **Effective Date:** the date the terms of this agreement take effect - February 22, 2021.

● **Force Majeure Event:** any circumstance not within a party's reasonable control which has not been caused by such party's negligence and which such party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost, including, but not limited to the following:

a. acts of God, flood, drought, earthquake or other natural disaster;

b. epidemic or pandemic;

c. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;

d. nuclear, chemical or biological contamination or sonic boom;

e. any law or any action taken by a government or public authority, including imposing an export or import restrictions, quota or prohibition, or failing to grant a necessary license or consent;

f. collapse of buildings, fire, explosion or accident; and

● **Taxes**: goods and services tax and harmonized sales tax payable under the *Excise Tax Act* (Canada), plus any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.5 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.7 This agreement shall be binding on, and ensure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re- enacted from time to time.

1.9 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.10 A reference to **writing** or **written** includes fax and email.

1.11 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.12 A reference to **this agreement** or to any other agreement or document referred to in this agreement is a reference of this agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.

1.13 References to clauses and Schedules are to the clauses and Schedules of this agreement and references to paragraphs are to paragraphs of the relevant Schedule.

1.14 Where the word **including** or **include** is used in this agreement, it means "including (or includes) without limitation", and any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Oco Meals's Responsibilities / Obligations

2.1 Oco Meals shall:

(a) Provide ParcelPal with daily service requirements with [***] advance notice;

(b) Uploaded csv manifest to the ParcelPal delivery portal for all orders
   a. Next Day Service: Manifest / order requests must be submitted by [***] to scheduled delivery

(c) Provide a non-binding [***] forecast of demand by [***] (i.e. [***]scheduled deliveries / updates on new onboarded customers) for service delivery on [***].

(d) Tender packages individually identified to ParcelPal complete with order number, customer name, complete address, postal code, buzzer number, phone number, email, and any specific notes for drop offs;

(e) Co-operate with ParcelPal in all matters relating to the DP Service through proper channels of communication for each request.

(f) Not hire any ParcelPal employee or contractor to perform similar services while this agreement is in effect.

(g) Provide ParcelPal with any requests for credit resulting from damaged packages or negative customer service escalations via email within [***]of occurrence along with supporting information:

   a. Date, time and order number
   b. Photo of damage
   c. Any other relevant proof of claim.

2.2 If the performance of ParcelPal's obligations under this agreement is prevented or delayed by any act or omission of Oco Meals its agents, sub-contractors, consultants or employees, then, without prejudice to any other right or remedy it may have, ParcelPal shall be allowed an extension of time to perform its obligations equal to the delay caused by Oco Meals.

2.3 Oco Meals shall appoint a named individual (whose contact details shall be provided to ParcelPal and updated as necessary from time to time) who shall have authority to bind Oco Meals contractually on all matters relating to this agreement.

3. ParcelPal's Responsibilities / Obligations

3.1 ParcelPal shall:

(a) Provide Oco Meals with next day delivery services as requested.

(b) Provide Next Day delivery;
- i. Between [***]
    1. Pickup [***]and dispatch availability between [***]
- ii. On all manifests provided [***]in advance of delivery
- iii. Pick up at [***] unless changed with written notice / request to ParcelPal [***] in advance

(c) Notify customers via sms of [***]delivery window which ParcelPal will deliver within

(d) Provide to Oco Meals in a timely manner all ParcelPal Materials required in order for Oco Meals to avail the DP Services and ensure that they are accurate and complete;

(e) Provide to Oco Meals from time to time such assistance as Oco Meals may reasonably require accessing the DP Service;

(f) Obtain and maintain all necessary licenses and consents and comply Applicable Laws to provide the DP Services;

(g) Allow and provide Oco Meals access to such information as Oco Meals may reasonably require (including data, security access information and software interfaces of other business software application of ParcelPal) to provide a delivery service to the Customers;

(h) Ensure that during the Term the DP Platform makes available to Oco Meals in a timely manner time stamped updates from the delivery vehicles/riders and a method of vehicle/driver tracking which can be pushed through API;

3.2 If Oco Meals's performance of its obligations under this agreement is prevented or delayed by any act or omission of ParcelPal, its agents, subcontractors, consultants or employees, then, without prejudice to any other right or remedy it may have, Oco Meals shall be allowed an extension of time to perform its obligations equal to the delay caused by ParcelPal.

3.3 ParcelPal shall use its best endeavors during the Term to ensure that the fleet of delivery vehicles adhere to the service level agreements with Customers, details of which shall be provided to ParcelPal by Oco Meals as requested.

3.4 ParcelPal shall appoint a named individual (whose contact details shall be provided to Oco Meals and updated as necessary from time to time) who shall have the authority to bind ParcelPal contractually on all matters relating to this agreement.

4. Charges and Payment

4.1 For last mile delivery, Oco Meals shall pay [***] **per package** on all packages delivered within the yellow delivery zone in Appendix B. Any packages falling within the black zones in Appendix B will be subject to a [***]per stop surcharge in addition to the [***]per package rate. Any deliveries which Oco Meals requests delivery for outside both of these zones shall be subject to the ParcelPal adhoc rate of [***] per package plus [***]per km for Next Day delivery. The starting point used for adhoc prices will always be based from Oco's delivery warehouse location on 138 West 6th Avenue Vancouver, BC. All orders placed by Oco Meals shall also be subject to additional fees set out in Appendix A.

4.1.a Pickups where a delivery is also taking place at the same stop will be free of charge, only the [***]per piece delivered will apply. Pickups where no delivery takes place will be charged at [***]per stop. Pickups will also be subject to the [***]per stop surcharge in the event they fall within the black zones in Appendix B.

4.1.b. The Friday delivery route will be charged at [***]a stop for a minimum of [***] deliveries. Delivery time s from [***]. The main responsibility during the Friday run is to deliver gel packs, empty totes, bags, labels, and tupperwares to Oco's vendors. every Friday. ParcelPal has the right to refuse any delivery/pick-ups that requires the use of stairs due to the liability. Any changes to this schedule should be provided to ParcelPal in writing at least [***]in advance.

4.2 ParcelPal shall invoice Oco Meals at the end of [***]for DP Service performed during that [***]. Billing will be sent out no later than [***]after [***].

4.3 Oco Meals shall pay each undisputed invoice or amounts within such invoice as are undisputedly submitted to it by ParcelPal within [***]of receipt.

4.4 All sums payable to ParcelPal under this agreement are exclusive of Taxes, and Oco Meals shall in addition pay an amount equal to any Taxes chargeable on those sums on delivery of an invoice for such Taxes.

4.5 In the event a ParcelPal driver is late for pickup in excess of [***], ParcelPal will credit Oco Meals [***] per minute beginning [***]after scheduled arrival time. In the event ParcelPal is not owed any amounts outstanding from Oco Meals, ParcelPal will issue payment to Oco for the waiting fee.

5. Consequences of Termination

5.1 This agreement shall commence on the Effective Date and expire on February 22, 2022 (the "**Initial Term**"), unless earlier terminated in accordance with this agreement, provided that if a termination notice is not provided by either party on or prior to [***]prior to the end of the Initial Term, this agreement shall automatically renew for successive one-year terms (each, a "**Renewal Term**", and together with the Initial Term, the "**Term**").

5.2 This Agreement may be terminated in the following circumstances:

(a) By Oco Meals for convenience upon [***] written notice to ParcelPal;

(b) Immediately by a party if the other party fails to perform or is otherwise in breach of its obligations under this agreement, provided that the non-breaching party first provides a written notice to the breaching party, and in the event that the breach is capable of remedy, the breaching party shall have [***]to remedy the breach;

(c) By a party upon a Force Majeure Event in accordance with Section 6.4;

(d) Automatically if either party shall cease to have the licenses and/or accreditations necessary for it to conduct the business or perform its obligations contemplated for it hereunder, or if such party otherwise ceases to conduct business; or

(e) Immediately by a party if the other party is subject to an order, judgment, or decree shall be entered by a court of competent jurisdiction or upon an application of a creditor, adjudicating a party to be bankrupt or insolvent, or approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator of such party or of all or a substantial part of its assets.

5.3 On termination or expiry of this agreement:

(a) Oco Meals shall pay to ParcelPal all charges outstanding to ParcelPal and, in respect of the DP Service supplied but for which no invoice has been submitted, ParcelPal may submit an invoice;

(b) ParcelPal shall immediately end provision of the DP Service;

(c) ParcelPal shall immediately return to Oco Meals any property of Oco Meals provided by Oco Meals to ParcelPal as part of the Service;

(d) Oco Meals shall on request return any of ParcelPal materials used up in the provision of the service

(e) any provisions that by their nature survive termination of this agreement shall continue to apply.

5.2 Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

6. Force Majeure

6.1 Provided it has complied with clause 6.3, if a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (such party, an "**Affected Party"**), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

6.2 The corresponding obligations of the other party will be suspended, and it's time for performance of such obligations extended, to the same extent as those of the Affected Party.

6.3 The Affected Party shall:

(a) as soon as reasonably practicable after the start of the Force Majeure Event but no later than [***] from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the agreement; and

(b) use all reasonable endeavors to mitigate the effect of the Force Majeure Event on the performance of its obligations.

6.4 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than [***], the party not affected by the Force Majeure Event may terminate this agreement by giving [***] written notice to the Affected Party.

7. Cargo Loss

7.1 ParcelPal be liable to Oco Meals for loss, damage, or injury to the shipment(s) while such shipment(s) are in the possession or under the control of ParcelPal (including its subcontractors or agents) or resulting from ParcelPal (including its subcontractors or agents) performance of or failure to properly perform the transportation services provided for in this agreement or arising from any cause while in the possession of or under the control of ParcelPal (including its negligence); provided, however, that ParcelPal shall not be liable for any loss, damage or injury arising out of the acts or omissions of Oco Meals' fridge space or Oco Meals's consignees, employees or subcontractors of either, Force Majeure Event, the inherent nature of the shipment, their packing or packaging or the loading and unloading of the shipments by Oco Meals.

7.2 Additionally, ParcelPal shall agree to credit Oco Meals a maximum of [***]in addition to the cost of a damaged/lost shipment for Oco Meals to preserve customer relationships in the event of a lost/damaged shipment.

7.3 All cargo loss credit requests must be submitted via email within [***] of occurrence to: [***]with:

(a) Date, time and order number
(b) Photo of damage
(c) Any other relevant proof of claim

8. Counterparts

8.1 This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

8.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If such method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter.

8.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

9. Confidentiality and Publicity

(a) As used in this Agreement, the words "**Confidential Information**" means all information which is disclosed at any time by one party (the "**Disclosing Party**") to the other party (the "**Receiving Party**") which the Disclosing Party considers confidential, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not identified as confidential information, including, without limitation, technical, business, financial and marketing information, information on patients or residents, personal health information and other information about identifiable individuals. "Confidential Information" shall not include such portions of the Confidential Information which (i) become generally available to the public other than as a result of a disclosure by the Receiving Party in breach hereof, (ii) are received by the Receiving Party from an independent third party who had obtained the Confidential Information lawfully, (iii) the Receiving Party can show were in its lawful possession before it received such Confidential Information from the Disclosing Party, or (iv) the Receiving Party can show was independently developed by the Receiving Party or on the Receiving Party's behalf.

(b) The Receiving Party agrees to (i) hold in strict confidence all Confidential Information of the Disclosing Party, (ii) use the Confidential Information solely to perform its obligations or to exercise its rights under this Agreement, and (iii) use the same degree of care to protect Confidential Information in its possession as it uses to protect its own Confidential Information of like nature, but in no circumstances less than reasonable care.

(c) In the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information, the Receiving Party will promptly provide the Disclosing Party with written notice so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement.

(d) Except as required by Applicable Law, neither party shall make any public reference in any manner (including without limitation in any press release, customer list, website, presentation or other media or method) to the other party, this agreement, or the relationship created thereby without the prior written consent of the other party.

10. Mutual Indemnification

10.1 Each party agrees to indemnify and hold harmless the other with respect to any loss, damage or claim resulting from or relating to third party claims arising from or relating to its negligent acts or omissions or those of its representatives under this agreement.

11. Relationship Between the Parties

11.1 The relationship between ParcelPal and Oco Meals is one of independent contractor. This agreement is not intended to create, and shall not be construed as creating, between the parties the relationship of principal and agent, joint venturers, partners or any similar relationship, the existence of which is hereby expressly denied, nor shall ParcelPal be considered in any sense an affiliate of the Oco Meals or vice versa.

12. Governing Laws

12.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

13. Jurisdiction

13.1 Each party irrevocably agrees that the courts of the Province of British Columbia in the City of Vancouver shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation. This agreement has been entered into as of the date first set out above.

14. Assignment

14.1 Neither party may assign this agreement without the prior written consent of the other party.

15. Time of Essence

15.1 Time shall, in all respects, be of the essence of each and every part of this agreement.

16. Signatures

IN WITNESS HEREOF each Party hereto has caused this agreement to be executed by its duly authorized representatives.

Oco Meals:

Signature: _____

Date of Signature: 2021/03/29

Name: Sachit Chawla

Title:

ParcelPal Technology Inc.

Signature: _____

Date of Signature: 2021/03/23

Name: Charles McGee

Title: VP Operations

Appendix A: Delivery Rates / Additional Charges

ParcelPal Additional Charges		
Item	**Description**	**Cost (CAD $)**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
ParcelPal Redelivery Attempts Charges		
[***]	[***]	[***]
[***]	[***]	[***]

Appendix B: Service Map

All areas in yellow are serviceable under the standard rate of [***]/package, black zones (as denoted in the table below) are an additional [***]per stop surcharge, anything outside will be charged at adhoc rates.

Surcharge Zone FSAs

FSA	City	Boundary with Surcharge Zone	Rate
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Appendix C: Hours of Operations
Note: All times in PST

Next Day Delivery ([***]NOTICE)

Day	Opening Hours	First Pick up	Closing Hours
Monday	[***]	[***]	[***]
Tuesday	[***]	[***]	[***]
Wednesday	[***]	[***]	[***]
Thursday	[***]	[***]	[***]
Friday	[***]	[***]	[***]
Saturday	[***]	[***]	[***]
Sunday	[***]	[***]	[***]

Appendix D: Personnel Contact List

Name	Company	Email	Phone
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Exhibit 10.7

GENERAL DELIVERY SERVICE AGREEMENT

between

ParcelPal Technology Inc.

and

CareRx Corporation

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Table of Contents

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, IS OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

Parties

(1) ParcelPal Technology Inc., a corporation existing under the laws of the Province of British Columbia, Canada, having a registered office at 190 Alexander Street, Suite 305, Vancouver, British Columbia, V6A 2S5 ("**ParcelPal**").

(2) CareRx Corporation, a corporation existing under the laws of Canada, having a registered office at 20 Eglinton Ave West, Suite 2100 Toronto ON, M4R-1K8 ("**CareRx**").

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions.

- **Affiliate**: any entity that directly or indirectly Controls, is Controlled by, or is under common Control with another entity.

- **Applicable Laws**: all laws, statutes, regulations, judgments and decrees and all official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, orders and policies of any governmental or regulatory body, that are applicable to a party in the performance of this Agreement.

- **Business Day**: any day other than a Saturday or Sunday or statutory holiday, when banks are open for commercial banking business during normal banking hours in Calgary, Alberta.

- **Control**: the possession, directly or indirectly, of the power to direct the management and policies of a person, whether through the ownership of voting securities or otherwise.

- **Customer:** a customer of CareRx.

- **ParcelPal Materials**: all documents, information, items and materials in any form, whether owned by ParcelPal or a third party, which are provided by ParcelPal to CareRx in connection with the DP Platform, DP Service and DP Service Levels.

- **DP Platform** the technology platform used by ParcelPal.

- **DP Service:** the provision by ParcelPal via the DP Platform of delivery drivers/couriers to make deliveries and the facilitation of the dispatch of delivery orders to such drivers/couriers.

- **DP Service Levels:** means the service levels in relation to the DP Service set out in this agreement in section 3 and 4 for both parties responsibilities and obligations.

- **Effective Date:** November 1, 2020.

● **Force Majeure Event:** any circumstance not within a party's reasonable control which has not been caused by such party's negligence and which such party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost, including, but not limited to the following:

a. acts of God, flood, drought, earthquake or other natural disaster;

b. epidemic or pandemic;

c. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;

d. nuclear, chemical or biological contamination or sonic boom;

e. any law or any action taken by a government or public authority, including imposing an export or import restrictions, quota or prohibition, or failing to grant a necessary license or consent;

f. collapse of buildings, fire, explosion or accident; and

g. Interruption or failure of utility service.

● **Taxes**: goods and services tax and harmonized sales tax payable under the *Excise Tax Act* (Canada), plus any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.4 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.5 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.7 This agreement shall be binding on, and ensure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re- enacted from time to time.

1.9 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.10 A reference to **writing** or **written** includes fax and email.

1.11 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.12 A reference to **this agreement** or to any other agreement or document referred to in this agreement is a reference of this agreement or such other agreement or document as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.

1.13 References to clauses and Schedules are to the clauses and Schedules of this agreement and references to paragraphs are to paragraphs of the relevant Schedule.

1.14 Where the word **including** or **include** is used in this agreement, it means "including (or includes) without limitation", and any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. CareRx's Responsibilities / Obligations

2.1 CareRx shall:

(a) Provide ParcelPal with daily service requirements with [***]advance notice;

(b) Uploaded csv manifest to the ParcelPal delivery portal for all orders
   a. Next Day Service: Manifest / order requests must be submitted by [***]prior to scheduled delivery
   b. Same Day Service: Manifest / order requests must be submitted by [***] of scheduled delivery
      i. "*rush rates apply for same day service in Appendix A."

(c) Provide a non-binding [***] forecast of demand by end of [***]the prior [***] (i.e. [***] scheduled deliveries / updates on new onboarded care homes);

(d) Tender packages individually identified by ParcelPal order number, customer name, address / postal and any specific notes for drop offs; and

(e) Co-operate with ParcelPal in all matters relating to the DP Service through proper channels of communication for each request.

2.2 If the performance of ParcelPal's obligations under this agreement is prevented or delayed by any act or omission of CareRx its agents, sub-contractors, consultants or employees, then, without prejudice to any other right or remedy it may have, ParcelPal shall be allowed an extension of time to perform its obligations equal to the delay caused by CareRx.

2.3 CareRx shall appoint a named individual (whose contact details shall be provided to ParcelPal and updated as necessary from time to time) who shall have authority to bind CareRx contractually on all matters relating to this agreement.

3. ParcelPal's Responsibilities / Obligations

3.1 ParcelPal shall:

(a) Provide CareRx with delivery services as requested;

(b) Provide Next Day delivery;
   i. [***]
   ii. Within an [***] delivery window from time of pick up
   iii. On all manifests provided [***] in advance
   iv. Pick up at [***]Monday to Friday, unless changed with written notice / request to ParcelPal [***] in advance

(c) Provide Same Day delivery between;
   i. Between [***]
   ii. Within an [***] delivery window from time of pick up
   iii. On all manifests provided by the [***] cutoff
   iv. Pick up at [***]Monday to Friday, unless changed with written notice / request to ParcelPal [***] in advance

(d) All Rush Deliveries;
   i. Between [***]
   ii. Directly from pick up location to point of delivery
   iii. On all manifests provided with less than [***] notice
   iv. With package pick up to [***]

(e) Provide to CareRx in a timely manner all ParcelPal Materials required in order for CareRx to avail the DP Services and ensure that they are accurate and complete;

(f) Provide to CareRx from time to time such assistance as CareRx may reasonably require accessing the DP Service;

(g) Obtain and maintain all necessary licenses and consents and comply Applicable Laws to provide the DP Services;

(h) Allow and provide CareRx access to such information as CareRx may reasonably require (including data, security access information and software interfaces of other business software application of ParcelPal) to provide a delivery service to the Customers;

(i) Ensure that during the Term the DP Platform makes available to CareRx in a timely manner time stamped updates from the delivery vehicles/riders and a method of vehicle/driver tracking which can be pushed through API; and

(j) Ensure that all drivers maintain commercial insurance in amounts as may be required by CareRx from time to time, including a minimum of $2 million in automobile liability insurance for the delivery driver who works with any of CareRx's deliveries.

3.2 If CareRx's performance of its obligations under this agreement is prevented or delayed by any act or omission of ParcelPal, its agents, subcontractors, consultants or employees, then, without prejudice to any other right or remedy it may have, CareRx shall be allowed an extension of time to perform its obligations equal to the delay caused by ParcelPal.

3.3 ParcelPal shall use its best endeavors during the Term to ensure that the fleet of delivery vehicles adhere to the service level agreements with Customers, details of which shall be provided to ParcelPal by CareRx as requested.

3.4 ParcelPal shall appoint a named individual (whose contact details shall be provided to CareRx and updated as necessary from time to time) who shall have the authority to bind ParcelPal contractually on all matters relating to this agreement.

4. Charges and payment

4.1 CareRx shall pay the following charges according to the following rates and those set forth in Appendices A, B and C:

(a) Delivery charges are based on a tiered system based on the daily volume. Each package will be delivered within the defined delivery zone to a customer of CareRx at their request. The current zones are outlined within the shipping table and maps in Appendices B and C. Pricing is as specified in Appendix A, and may be changed upon the prior written agreement of CareRx with [***]notice.

(b) The defined delivery zone shall comprise the area within each map in Appendix B for CareRx based on geographic location of each pickup facility;
   a. Calgary Pick up: [***]
   b. Edmonton Pick up: [***]

(c) The rates are defined in Appendix A and based on volume.

(d) Rates in Appendix A are based on next day delivery, with [***] notice on the manifest. [***].

(e) All next day orders need to be submitted by [***] prior to delivery or they will be charged at the same day rate.

(f) Any orders provided with less than [***]notice require rental of a courier at [***]per [***] deliveries (additional delivery at [***] per package)

(g) Deliveries outside of the zone defined in Appendix B will have an additional charge of [***]per [***] exceeding or part thereof.

(h) All orders that have the same address will be charged the initial rate per package based on the daily volume and all orders / packages exceeding that will be charged at $6.50 per package / drop off

   a. Once exceeding [***]packages per day / per city, with all drop offs to the same location address will be charged at [***] per package if multiple drops are required

(i) All return and re-attempt deliveries are at the flat rate of [***] per package [***].

   a. Limited to standard parcel sizes and weight restrictions

(j) ParcelPal will offer refunds on a case by case basis where the services were not fulfilled within the time requirements of this agreement.

4.2 ParcelPal shall invoice CareRx at the end of [***]for DP Service performed during that [***]. Billing will be sent out no later than [***]end and will begin [***] following the agreement date.

4.3 CareRx shall pay each undisputed invoice or amounts within such invoice as are undisputedly submitted to it by ParcelPal within [***]of receipt to a bank account nominated in writing by ParcelPal from time to time.

4.4 All sums payable to ParcelPal under this agreement are exclusive of Taxes, and CareRx shall in addition pay an amount equal to any Taxes chargeable on those sums on delivery of an invoice for such Taxes.

5. Consequences of termination

5.1 This agreement shall commence on the Effective Date and expire on November 1, 2021 (the "**Initial Term**"), unless earlier terminated in accordance with this agreement, provided that if a termination notice is not provided by either party on or prior to [***]prior to the end of the Initial Term, this agreement shall automatically renew for successive one-year terms (each, a "**Renewal Term**", and together with the Initial Term, the "**Term**").

5.2 This Agreement may be terminated in the following circumstances:

(a) By CareRx for convenience upon [***] written notice to ParcelPal;

(b) Immediately by a party if the other party fails to perform or is otherwise in breach of its obligations under this agreement, provided that the non-breaching party first provides a written notice to the breaching party, and in the event that the breach is capable of remedy, the breaching party shall have [***] to remedy the breach;

(c) By a party upon a Force Majeure Event in accordance with Section 6.4;

(d) Automatically if either party shall cease to have the licenses and/or accreditations necessary for it to conduct the business or perform its obligations contemplated for it hereunder, or if such party otherwise ceases to conduct business; or

(e) Immediately by a party if the other party is subject to an order, judgment, or decree shall be entered by a court of competent jurisdiction or upon an application of a creditor, adjudicating a party to be bankrupt or insolvent, or approving a petition seeking reorganization of such party or appointing a receiver, trustee or liquidator of such party or of all or a substantial part of its assets.

5.3 On termination or expiry of this agreement:

(a) CareRx shall pay to ParcelPal all charges outstanding to ParcelPal and, in respect of the DP Service supplied but for which no invoice has been submitted, ParcelPal may submit an invoice;

(b) ParcelPal shall immediately end provision of the DP Service;

(c) ParcelPal shall immediately return to CareRx any property of CareRx provided by CareRx to ParcelPal as part of the Service;

(d) CareRx shall on request return any of ParcelPal materials used up in the provision of the service; and

(e) any provisions that by their nature survive termination of this agreement shall continue to apply.

5.2 Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

6. Force majeure

6.1 Provided it has complied with clause 6.3, if a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (such party, an "**Affected Party"**), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

6.2 The corresponding obligations of the other party will be suspended, and it's time for performance of such obligations extended, to the same extent as those of the Affected Party.

6.3 The Affected Party shall:

(a) as soon as reasonably practicable after the start of the Force Majeure Event but no later than [***] from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the agreement; and

(b) use all reasonable endeavors to mitigate the effect of the Force Majeure Event on the performance of its obligations.

6.4 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than [***], the party not affected by the Force Majeure Event may terminate this agreement by giving [***]written notice to the Affected Party.

7. Cargo Loss

ParcelPal be liable to CareRx for loss, damage, or injury to the shipment(s) while such shipment(s) are in the possession or under the control of ParcelPal (including its subcontractors or agents) or resulting from ParcelPal (including its subcontractors or agents) performance of or failure to properly perform the transportation services provided for in this agreement or arising from any cause while in the possession of or under the control of ParcelPal (including its negligence); provided, however, that ParcelPal shall not be liable for any loss, damage or injury arising out of the acts or omissions of CareRx's or CareRx's consignees, employees or subcontractors of either, Force Majeure Event, the inherent nature of the shipment, their packing or packaging or the loading and unloading of the shipments by CareRx.

8. Counterparts

8.1 This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

8.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If such method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter.

8.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

8. Confidentiality and Publicity

(a) As used in this Agreement, the words "**Confidential Information**" means all information which is disclosed at any time by one party (the "**Disclosing Party**") to the other party (the "**Receiving Party**") which the Disclosing Party considers confidential, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not identified as confidential information, including, without limitation, technical, business, financial and marketing information, information on patients or residents, personal health information and other information about identifiable individuals. "Confidential Information" shall not include such portions of the Confidential Information which (i) become generally available to the public other than as a result of a disclosure by the Receiving Party in breach hereof, (ii) are received by the Receiving Party from an independent third party who had obtained the Confidential Information lawfully, (iii) the Receiving Party can show were in its lawful possession before it received such Confidential Information from the Disclosing Party, or (iv) the Receiving Party can show was independently developed by the Receiving Party or on the Receiving Party's behalf.

(b) The Receiving Party agrees to (i) hold in strict confidence all Confidential Information of the Disclosing Party, (ii) use the Confidential Information solely to perform its obligations or to exercise its rights under this Agreement, and (iii) use the same degree of care to protect Confidential Information in its possession as it uses to protect its own Confidential Information of like nature, but in no circumstances less than reasonable care.

(c) In the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information, the Receiving Party will promptly provide the Disclosing Party with written notice so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement.

(d) Except as required by Applicable Law, neither party shall make any public reference in any manner (including without limitation in any press release, customer list, website, presentation or other media or method) to the other party, this agreement, or the relationship created thereby without the prior written consent of the other party.

9. Mutual Indemnification

Each party agrees to indemnify and hold harmless the other with respect to any loss, damage or claim resulting from or relating to third party claims arising from or relating to its negligent acts or omissions or those of its representatives under this agreement.

10. Relationship Between the Parties

The relationship between ParcelPal and CareRx is one of independent contractor. This agreement is not intended to create, and shall not be construed as creating, between the parties the relationship of principal and agent, joint venturers, partners or any similar relationship, the existence of which is hereby expressly denied, nor shall ParcelPal be considered in any sense an affiliate of the CareRx or vice versa.

11. Governing laws
This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

12. Jurisdiction

Each party irrevocably agrees that the courts of the Province of Alberta in the City of Calgary shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation. This agreement has been entered into as of the date first set out above.

13. Assignment

Neither party may assign this agreement without the prior written consent of the other party.

14. Time of Essence

Time shall, in all respects, be of the essence of each and every part of this agreement.

IN WITNESS HEREOF each Party hereto has caused this agreement to be executed by its duly authorized representatives.

Signatures

CareRx Corporation:

Signature: _____

Date of Signature: Nov 19, 2020

Name: Ryan Stempfle
Title: VP & General Manager, Western Canada

ParcelPal Technology Inc.

Signature: _____

Date of Signature: November 19, 2020

Name: Rich Wheeless
Title: Chief Executive Officer

Appendix A: Delivery Rates / Additional Charges

[***]

Appendix A: Delivery Rates / Additional Charges

[***]

Appendix B: Service Map

[***]

Appendix B: Service Map

[***]

Appendix C: Hours of Operations
Note: All times in MST

Next Day Delivery ([***]NOTICE)

Day	Opening Hours	First Pick up	Last Pick Up	Closing Hours
Monday	[***]	[***]	[***]	[***]
Tuesday	[***]	[***]	[***]	[***]
Wednesday	[***]	[***]	[***]	[***]
Thursday	[***]	[***]	[***]	[***]
Friday	[***]	[***]	[***]	[***]
Saturday				
Sunday				

Same Day Delivery / RUSH

Day	Opening Hours	First Pick up	Last Pick Up	Closing Hours
Monday	[***]	[***]	[***]	[***]
Tuesday	[***]	[***]	[***]	[***]
Wednesday	[***]	[***]	[***]	[***]
Thursday	[***]	[***]	[***]	[***]
Friday	[***]	[***]	[***]	[***]
Saturday				
Sunday				

[***]

Appendix D: Personnel Contact List

Name	Company	Email	Phone
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Exhibit 12.1

Certification of the Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Rich Wheeless, certify that:

1. I have reviewed this annual report on Form 20-F of ParcelPal Technology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 30, 2021

/s/ Rich Wheeless
Rich Wheeless
Chief Executive Officer
Chief Financial Officer

Exhibit 13.1

Certification of the Chief Executive Officer and Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Rich Wheeless, Chief Executive Officer and Chief Financial Officer of ParcelPal Technology Inc. (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 20-F for the period ended December 31, 2020, to which this Certification is attached as Exhibit 13.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2021

/s/ Rich Wheeless

Rich Wheeless
Chief Executive Officer
Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this annual report on Form 20-F of our report dated April 30, 2021, relating to the financial statements of ParcelPal Technology Inc. for the years ended December 31, 2020, 2019, and 2018, which appears in ParcelPal Technology Inc.'s Annual Report on Form 20-F for the year ended December 31, 2020, and which is incorporated by reference to ParcelPal Technology Inc.'s Registration statement on Form F-1 (File No. 333-251485) and to the reference to us under the heading "experts" in the Prospectus of such Registration Statement.

/s/ DMCL LLP

Chartered Professional Accountants
1500 - 1140 West Pender Street
Vancouver, British Columbia, V6E 4G1

April 30, 2021