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,		
	2022	**2021**	**2020**
	C$	C$	C$
Revenue	11,242,660	7,521,952	6,317,329
Total revenue and other income	11,247,316	7,521,952	6,317,329

Year 2022 compared to year 2021

Revenue

Our revenue increased from C$7,521,952 in 2021 to C$11,242,660 in 2022, primarily due to an increase in routes coupled with additional revenue from our latest US acquisition which closed in June 2022.

Cost of Revenue

Our cost of revenue increased from C$6,253,436 in 2021 to C$9,238,485 in 2022. This was due to an increase in staff and acquisition/leasing of additional fleet vehicles for more Amazon routes.

Personnel costs increased from C$5,674,740 in 2021 to C$7,624,566 in 2022. This was due to an increase in staff for Amazon routes as well as expansion into new areas.

Vehicle fuel costs increased from C$112,091 in 2021 to C$157,542 in 2022. This increase in fuel costs was due to the additional vehicles on the road in our fleet for the increase in business.

Short term vehicle rental costs increased from C$110,266 in 2021 to C$1,272,307 in 2022. This increase in short term vehicle rental costs was due to the additional vehicles on the road in our fleet for the increase in business driven by our latest acquisition in June 2022.

Amortization expense decreased from C$346,532 in 2021 to C$184,070 in 2022 due to the Company entering into fewer lease agreements for its delivery fleet.

Gross Profit

Gross profit as a percentage of revenue increased from C$1,268,516 (16.9%) in 2021 to C$2,004,175 (17.8%) in 2022. This was due to economies of scale in staffing costs from our acquisition coupled with the signing of higher margin B2B customers.

Expenses

Marketing and promotion increased from C$78,804 in 2021, to C$181,905 in 2022, due to increased marketing activities in 2022 as the Company continued to expand into new areas.

Management and director fees decreased from C$1,808,250 in 2021, to C$714,346 in 2022, due to decreased fees to officers and the issuance of common stock to directors of the Company in 2021. The issuance of $1,300,000 in common stock to officers and directors is a non-cash expense.

Share-based compensation decreased from C$263,672 in 2021, to C$44,246 in 2022, due to fewer stock options being granted.

Consulting fees increased from C$117,054 in 2021, to C$391,763 in 2022, due to an increase in consultants in the business.

Foreign exchange costs increased from C$31,454 in 2021, to a C$211,512 in 2022, due to an increase in the exchange rate of the U.S. dollar against the Canadian dollar.

Interest expense decreased from C$754,827 in 2021, to C$491,806 in 2022, due to a decrease in interest due to fewer note issuances throughout the year.

Professional fees increased from C$389,817 in 2021, to C$407,984 in 2022, due to an increase in accounting and legal fees.

Regulatory and filing fees increased from C$106,758 in 2021, to C$145,437 in 2022, due to an increase in charges associated with the issuance of shares and options.

Travel and accommodation expenses increased from C$119,692 in 2021, to C$187,373 in 2022, due to an increase in business activity.

Salaries increased from C$546,852 in 2021, to C$868,783 in 2022, primarily related to expansion into additional areas.

Office and miscellaneous expenses increased from C$964,282 in 2021, to C$1,509,729 in 2022, due to expansion into additional areas and the most recent US acquisition that was completed in June 2022.

In 2022 the Company recorded a gain on debt settlement of C$273,247 compared to no gain or loss on debt settlement in 2021.

In 2021 the Company recorded a derivative liability of C$144,952 compared to a C$206,726 gain on the derivative liability in 2022 due to fewer note issuances throughout the year.

Net loss

The Company had a net loss of C$4,102,608 in 2021 compared to C$3,525,997 in 2022, primarily due to the factors described above, including numerous one-time expenses.

The Company had its largest gross revenue quarter since inception with over $3.4M in the fourth quarter of 2022 (compared to Q4 2021 of over $3.2M).

Year 2021 compared to year 2020

Revenue

Our revenue increased from C$6,312,329 in 2020, to C$7,521,952 in 2021, primarily due to revenue from our US acquisition which closed in September 2021.

We note that we have also included disclosure in our annual report on Form 20-F, filed on May 4, 2022 regarding the entry into customer contracts in the latter half of 2021 with WeDoLaundry, UpMeals and Farmer's Meals. While these agreements collectively generated less than $50,000 in annual revenue through December 2021 (or .0066 of our 2021 annual revenue), they had been included and disclosed by the Company for the sake of completeness, and because they were previously announced by the Company.

Cost of Revenue

Our cost of revenue increased from C$5,947,895 in 2020 to C$6,253,436 in 2021. This was due to an increase in staff and acquisition/leasing of additional fleet vehicles for more Amazon routes.

Personnel costs increased from C$4,983,299 in 2020 to C$5,674,740 in 2021. This was due to an increase in staff for Amazon routes as well as expansion into new areas.

Vehicle fuel costs decreased from C$396,343 in 2020 to C$112,091 in 2021. This decrease in fuel cost for vehicles was driven by the change in the Amazon payment model pursuant to the terms of the new Transportation

Agreement we entered into with Amazon in February 2021, whereby Amazon began providing fuel cards to cover the cost of fuel directly, rather than our Company laying out these costs and seeking reimbursement at preset rates.

Amortization expense decreased from C$388,859 in 2020, to C$346,532 in 2021 due to the Company entering into fewer lease agreements for its delivery fleet.

Gross Profit

Gross profit as a percentage of revenue increased from C$369,434 (5.8%) in 2020 to C$1,268,516 (16.9%) in 2021. This was due to economies of scale in staffing costs from our acquisition coupled with the signing of higher margin B2B customers.

Expenses

Marketing and promotion increased from C$29,146 in 2020, to C$78,804 in 2021, due to increased marketing activities in 2021 as the Company continued to expand into new areas.

Management and director fees increased from C$305,158 in 2020, to C$1,808,250 in 2021, due to increased fees to officers and the issuance of common stock to directors of the Company in 2021. The issuance of $1,300,000 in common stock to officers and directors is a non-cash expense.

Share-based compensation decreased from C$473,103 in 2020, to C$263,672 in 2021, due to fewer stock options being granted.

Consulting fees decreased from C$656,405 in 2020, to C$117,054 in 2021, due to fewer consultants to the business.

Foreign exchange costs worsened from a gain of C$61,236 in 2020, to a loss of C$31,454 in 2021, due to an increase in the exchange rate of the U.S. dollar against the Canadian dollar.

Interest expense increased from C$323,931 in 2020, to C$754,827 in 2021, due to an increase in interest due to the convertible note issuances throughout the year.

Professional fees decreased from C$655,378 in 2020, to C$389,817 in 2021, due to a decrease in accounting and legal fees.

Regulatory and filing fees increased from C$78,945 in 2020, to C$106,758 in 2021, due to an increase in charges associated with the issuance of shares.

Travel and accommodation expenses increased from C$31,692 in 2020, to C$119,692 in 2021, due to an increase in business activity.

Salaries increased from C$533,193 in 2020, to C$546,852 in 2021, primarily related to expansion into additional areas.

Office and miscellaneous expenses decreased from C$1,155,805 in 2020, to C$964,282 in 2021, due to some cost cutting measures.

In 2020 the Company recorded a loss on debt settlement of C$191,733 compared to no loss on debt settlement in 2021.

In 2020 the Company recorded a derivative liability of C$866,238 compared to a C$144,952 derivative liability in 2021 due to the convertible note issuances throughout the year.

Net loss

The Company had a net loss of C$4,874,082 in 2020 compared to C$4,102,608 in 2021, primarily due to the factors described above, including numerous one-time expenses.

The Company had its largest gross revenue quarter since inception with over $3.2M in the fourth quarter of 2021 (compared to Q4 2020 of $2.3M). Consulting fees in the fourth quarter of 2021 decreased to $25,987 (compared to Q4 2020 of $210,033) as the Company reduced the number of external consultants to conserve cash. Administrative, office and miscellaneous expenses increased in the fourth quarter 2021 to $400,802 (from 2020 Q4 of $213,536) primarily related to the consolidation of Web-to-Door Trucking in Q4 2021. During the three months ended December 31, 2021, the Company generated income before other items of $217,893. 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, 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 2021), and which provide the Company with significant additional capital to better position the Company moving forward in terms of both cashflow, and for additional acquisitions, mergers, securitization of additional warehousing facilities and/or other strategic transactions as they may arise, and which the Company may actively seek.

B. 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 and non-dilutive capital loan agreements . 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 2023, or through such other available capital financing alternatives. Such financings may come in the form of equity, debt or through a combination of debt and/or equity financing structures. See description of our convertible notes below and in the notes to our financials for information relating to their balances, conversion features and other relevant information. In addition, in July 2022 and October 2022, the Company entered into identical (other than as to the funding amount and effective period) Capital Loan Agreements with ACH Capital West, LLC (“ACH”) in connection with a non-dilutive financing in the aggregate principal amount of $500,000. The loan agreement provides for a 10 month interest bearing non-convertible note with the total cash repayment due in the amount of $568,000 and $142,000. The capital loan agreements prohibit stacking, or the implementation of additional similar loans, and also contain customary default, cross-default and acceleration provisions. We have maintained the repayments with ACH pursuant to the terms of the agreement, and these loans are scheduled to be fully repaid during the third quarter of the current fiscal year. See also Note 14, Subsequent Events for a description of our private placement equity offering transaction involving common shares and warrants sold and issued in March 2023.

We have incurred significant losses since our inception. We incurred losses of C$3,525,997, C$4,102,608 and C$4,874,082 in 2022, 2021 and 2020, respectively. As at December 31, 2022, the Company had a working capital deficit of C$5,971,170 compared to a working capital deficit of C$3,972,955 as at December 31, 2021.

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, 2022.

Equity issues

See Note 14, Subsequent events for equity issuances subsequent to December 31, 2022.

Convertible notes

On March 12, 2021, 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$1,050,000 (the "March Note"). Under the terms of the March Note, US$350,000 was advanced to the Company at closing, and the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares. On April 13, an additional US$325,000 was funded by Tangiers to the Company. On May 27, an additional US$325,000 was funded by Tangiers to the Company. The March 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 April 12, 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$0.13 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$0.13 per share or (b) 83% of the average of the two lowest volume weighted average price of the Company's common shares during the 10 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. This Note, at December 31, 2021, carried a principal balance of $623,473 (USD); however, subsequent to December 31, 2021, and by the filing date of our annual report on May 4, 2022 carried a remaining principal balance of $6,000, which had shortly thereafter also been converted and, therefore, satisfied in-full the obligations related to this note, which no longer remains outstanding.

On September 15, 2021, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible multi tranche note to Tangiers with a face value of up to US$2,300,000 (the "September Note"). Under the terms of the September Note, US$700,000 was advanced to the Company at closing, and the Company issued 500,000 unregistered common shares to Tangiers as investment incentive shares. On November 23, an additional US$640,000 was funded by Tangiers to the Company, and the Company issued 500,000 unregistered common shares to Tangiers as investment incentive shares. We have not taken and the holder has not funded the third tranche of this Note as of the date of this annual report. There is an option for a fourth tranche in the amount of $325,000 to be funded by the noteholder upon mutual agreement of the Company and investor. 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, 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$0.09 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$0.09 per share or (b) 83% of the average of the two lowest volume weighted average price of the Company's common shares during the 10 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. The principal balance due, as of December 31, 2021 remained in the amount of $1.340M USD; however, subsequent to December 31, 2021, Tangiers converted $394,000 USD of this note for 9,850,000 common shares at $0.04 USD per share, leaving a principal balance of $946,000 USD under this note.

Cash flows

Audited Financial Years

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

	(in C$)		
	2022	**2021**	**2020**
Net cash used in operating activities	(1,043,347)	(1,076,788)	(927,129)
Net cash from/(used in) investing activities	373,350	(1,567,465)	(112,034)
Net cash from/(used in) financing activities	216,847	2,908,071	999,238

Comparison of cash flows for the Year ended December 31, 2022, with the Year ended December 31, 2021

Operating activities.

Net cash flow in operating activities decreased from a negative C$1,076,788 in 2021 to a negative C$1,043,347 in 2022 due to a decrease in shares issued in lieu of consulting fees.

Investing activities.

Net cash flow in investing activities improved from a negative C$1,567,465 in 2021 to a positive C$373,350 in 2022, primarily as a result of the Company's US acquisition in 2021 and the sales of vehicles in 2022.

Financing activities.

Net cash flow in financing activities decreased from C$2,908,071 in 2021 to C$216,847 in 2022, primarily as a result of the issuance of convertible notes in 2021.

Comparison of cash flows for the Year ended December 31, 2021, with the Year ended December 31, 2020

Operating activities.

Net cash flow in operating activities increased from a negative C$927,129 in 2020 to a negative C$1,076,788 in 2021 due to an increase in shares issued in lieu of consulting fees.

Investing activities.

Net cash flow in investing activities increased from a negative C$112,034 in 2020 to a negative C$1,567,465 in 2021, primarily as a result of the Company's US acquisition.

Financing activities.

Net cash flow in financing activities increased from C$999,238 in 2020 to C$2,908,071 in 2021, primarily as a result of the issuance of convertible notes in 2021.

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 the broad distribution of those products through 2022, the COVID-19 pandemic has caused residual and remaining negative impacts on labor force habits, consumer spending and lifestyle trends, and economic conditions generally. Compounding this in 2022 were rising inflation and interest rate increases, which has triggered further volatility in the stock market, including trading prices of equities generally, as well as on the Company's shares and its ability to raise new capital.

The Company has been focused on increasing its sales and operations with Amazon and FedEx Ground, 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 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. The Company's focus for 2023 is going to be a technology and digital focus transformation in order to become less paper reliant in our operational process, with a move to as much automation in the delivery process as possible. Software will also play a large role in this shift by utilizing previous technology the Company had developed. We see this as a major opportunity to further improve margins while working towards our goal of full year profitability and becoming cash flow positive on an annual basis.

Overall company costs have increased. Increases in labor costs, vehicle costs and fuel prices will continue to have a negative impact on our gross margins. We have been 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.

In March 2023, the Company announced the relaunch of its mobile delivery application on a rolling basis over the coming months, which will enable near-time delivery in localized areas and further diversified revenue streams. During the Covid-19 pandemic, many businesses were forced to transform their business operations and turn to a mobile and contactless approach. Similarly, logistics and delivery companies such as ParcelPal were also forced to adopt to new mobile-first strategies, and as a result, the market has witnessed an influx in successful mobile offerings. The ParcelPal Delivery App will now provide the Company with both a B2B and B2C business revenue model, which will deliver new-line revenue to the Company. ParcelPal will also look to leverage its mobile platform by way of white labeling, license and potential joint ventures in the North American, European and Asia-Pacific regions.

E. **Critical Accounting Estimates**

Please refer to Note 2 of our audited financial statements included in Item 18 of this Annual Report on Form 20-F.