



ParcelPal Closes \$525,000 USD Financing via Non-Brokered Private Placement

Vancouver, British Columbia – September 30, 2020 – ParcelPal Technology Inc. (“ParcelPal” or the “Company”), (PKG:CSE) (FSE:PTO) (OTC:PTNYF) is pleased to announce that it has completed a non-brokered private placement (the “**Offering**”) pursuant to which it issued an unsecured convertible note with a face value of up to US\$525,000 to an arm's length investor (the “**Note**”). The terms of the Note include the following:

- The net sum of US\$150,000 (the “Consideration”) was advanced to the Company on closing, and \$7,500 (the “Initial Original Issue Discount”) was retained by the Noteholder through an original issue discount (the “OID”) for expenses related to the Offering, and the issuance of 150,000 restricted common shares to the noteholder as investment incentive shares;
- An additional aggregate of \$350,000 will be funded by the noteholder to the Company in two subsequent tranches, each in the amount of US\$175,000 within thirty (30) and sixty (60) days, respectively, upon request by the Company (subject to customary conditions), or in such amounts and at such date as the parties may alternatively mutually agree, plus the prorated 5% OID to the Company on such amounts, and up to an additional 350,000 investment incentive shares assuming the maximum investment of not less than US\$350,000 to the Company;
- The Note bears interest at a one-time guaranteed rate of 5% on the principal sum of each funded tranche, and has a Maturity Date of six months from the effective date of the funding (the “Maturity Date”);
- The principal amount of the Notes shall be convertible into 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 / CN\$0.08 per share (“Fixed Conversion Price”); and
- We estimate the net proceeds from this financing, after deducting any fees, expenses and issue discounts payable by us, are intended to be used for costs of becoming an U.S. reporting company, the listing of our securities on the Over-the-Counter market as an additional primary trading platform, as well as the costs associated with our business expansion plans, including the acquisition of additional fleet vehicles, and the entrance into a real property lease agreement for a storage and fulfilment warehouse, and for such other general corporate purposes;

- The Principal Sum due to Noteholder is prorated based on the Consideration, plus the 5% OID. The Company may prepay any outstanding portion of the Note in cash prior to the Maturity Date;
- The Company granted a right of first refusal to the noteholder during the term of the Note to invest, at similar or better terms to the Company, in an amount equal to or greater than any future capital or equity or debt financing by the Company; and
- If the Note is not repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding Principal 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 two lowest volume weighted average prices of the Company's common shares during the 15 consecutive trading days prior to the date on which Noteholder elects to convert all or part of the Note; provided, however, that any such discount to the Fixed Conversion Price 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.

The Company did not pay any finder's fees or issue any warrants in connection with the Offering.

The Note and any Shares issued upon conversion of the Note are subject to a statutory hold period expiring on the date that is four months and one day after the closing of the Offering (under Canadian securities law, and six months and one day under U.S. securities law, as applicable).

CEO Rich Wheelless commented "This growth financing comes at a pivotal time for the Company as we have been expanding geographically and growing faster than initially projected. Additionally, we have been surpassing the Company milestones and we see this continuing well into 2021. This financing provides immediate capital for undertaking adding numerous new vehicles to our fleet to service the increased business. Given the current global crisis and shaky market conditions, we are fortunate to be in the position that the company is in to provide needed services at this critical time, and to implement a plan to continue debuting in new markets. I am also very pleased with the recent improved operating performance and looking forward to the continued trend."

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About ParcelPal Technology Inc.

ParcelPal is a leader in the growing technology and logistics industry. ParcelPal seamlessly connects consumers to businesses, where they have access to the goods they love, anytime, anywhere. Customers can shop at partner businesses and through the ParcelPal technology receive their purchased goods within an hour or the same day. The Company offers on-demand delivery of merchandise from leading retailers, restaurants, medical marijuana dispensaries and liquor stores in Vancouver, Calgary, Toronto and soon in other major cities Canada and United States wide.

ParcelPal Website: www.parcelpal.com

The Canadian Securities Exchange ("CSE") or any other securities regulatory authority has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release that has been prepared by management.

CSE – Symbol: **PKG**

FSE – Symbol: **PTO**

OTC – Symbol: **PTNYF**

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This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information concerning the Offering.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements. An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in the Company's public filings available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be

given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.