



ParcelPal Announces Expansion into the United States via Entry Into “Letter of Intent” to Acquire a U.S. Delivery Company

Vancouver, British Columbia – July 14, 2021 – ParcelPal Logistics Inc. (the “Company” or “ParcelPal”), (OTC:PTNYF) (CSE:PKG) (FSE:PT0) is pleased to announce that it has signed a “letter of intent” with a United States delivery service company (“Acquiree”). In its most recent fiscal year 2020, Acquiree generated gross revenues of approximately \$4.6M USD.

The total purchase price (the “Purchase Price”) is expected to be \$3.1 million USD, payable in cash (60%) and in restricted shares of ParcelPal common stock (40%, which shall be priced at-market based on the closing price of the common stock following the closing of the transaction). Under the terms of the proposed transaction, ParcelPal will acquire 95% of the outstanding shares of Acquiree’s capital stock, and Acquiree will enter into an exclusive services agreement with its principal business source (which will also contain non-interference and non-competition clauses to further enhance the likelihood of the short and long term success of the acquired business).

The parties intend to complete the proposed transaction between July 30 and August 10, 2021; however, the consummation of the transaction will be subject to the satisfactory completion by us of all due diligence, regulatory approvals, if any, and the negotiation and execution of the definitive transaction agreements and satisfaction of the customary conditions negotiated therein. The cash portion of the purchase price, which we currently anticipate paying in two to three tranches beginning on the closing date, will be from either (or a combination of) existing cash, the use of our equity line of credit facility and/or a non-brokered private placement financing.

We will of course provide an update following the consummation of this transaction, and upon the closing of any interim financing that we may endeavor, if any, prior to or simultaneously therewith. There can be no assurance that the proposed transaction will be completed on the terms proposed in the Letter of Intent, on the above noted timeline or at all.

Rich Wheelless, CEO of ParcelPal Logistics stated: “I believe the acquisition of a revenue generating, profitable, U.S. company is a very positive step in the right direction for the Company. This initial acquisition will not only add significant revenue, but is also expected to serve as a stepping-stone for further U.S. expansion and eventual client diversification opportunities in a



new geographic location. We are thrilled to be working with the Acquiree’s team and are pleased that they share our vision for the strategic direction of ParcelPal and the streamlined delivery services path, based upon our plan that was developed in 2020.”

Acquiree will become a subsidiary of ParcelPal Logistics Inc., and will continue to operate under its existing name with little to no interruption to ensure the quality and continuity of service that it has delivered to date. We also anticipate no major changes in the short term to the corporation upon completion of the proposed transaction, and also currently intend to onboard Acquiree’s senior executive within ParcelPal for further integration of the business.

About ParcelPal Logistics Inc.

ParcelPal is a Vancouver, British Columbia based company that specializes in last-mile delivery service and logistics solutions. We are a customer-driven, courier and logistics company connecting people and businesses through our network of couriers in cities including Vancouver, Calgary, Toronto and soon in other major cities in Canada and the United States. Some of our verticals include pharmacy & health, meal kit deliveries, retail, groceries and more.

ParcelPal Website: www.parcelpal.com

Neither the Canadian Securities Exchange (“CSE”), the Securities and Exchange Commission nor any other securities regulatory authority has reviewed and do not accept responsibility for the adequacy or accuracy of this news release that has been prepared by management.

OTC – Symbol: **PTNYF**

CSE – Symbol: **PKG**

FSE – Symbol: **PTO**

Contact: re: Investor Inquiries - info@parcelpal.com

Forward Looking Information

This news release contains forward looking statements relating to the Proposed Transaction, and the future potential of ParcelPal. Forward looking statements are often identified by terms such as "will", "may", "should", "intends", "anticipates", "expects", "plans" and similar expressions. All statements other than statements of historical fact, included in this release are forward looking statements that involve risks and uncertainties. These risks and uncertainties include, without limitation, the risk that the Proposed Transaction will not be completed or on time due to, among other things, failure to agree to the terms set forth in the definitive documentation, withdrawal at any time by the target company, failure to receive, be satisfied with or complete delivery of satisfactory due diligence documents and information, failure to receive the approval of the CSE, if and as needed, and the risk that ParcelPal will not be successful due to, among other things, general risks relating to the logistics industry, failure of ParcelPal



to gain market acceptance of the transaction, and potential challenges related to expansion into a new country, or with the intellectual property utilized in ParcelPal and its acquisition target(s). There can be no assurance that any forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The Company cannot guarantee that any forward looking statement will materialize and the reader is cautioned not to place undue reliance on any forward looking information. The risk of the discontinuation of business by third party customers of the acquired business(es) cannot be guaranteed, and is a business risk that is, in large measure, out of the control of the Company. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward looking statements contained in this news release are expressly qualified by this cautionary statement. The forward looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward looking statements as expressly required by Canadian securities laws.