



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

Vancouver, British Columbia – October 5, 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 another United States delivery service company (“Acquiree”). The Acquiree initiated operations at this specific locale in March 2021 and has been rapidly growing. For calendar year 2021, Acquiree is projecting gross revenues of approximately \$1.0M USD, and for its first 12 months of operations they are projecting gross revenues for approximately \$1.3M USD. It is important to note that the Acquiree’s principal customer is a major global delivery service provider and is not one that ParcelPal currently does any business with; therefore, assuming consummation of this transaction, this will also lend itself towards our goal to diversify our customer base while immediately adding to our topline gross revenue growth.

The total purchase price (the “Purchase Price”) is expected to be one time actual revenue of the Acquiree’s first 12 months of operations, based on an earn-out schedule to be set forth in the definitive agreement, which will be payable in cash (60%) and in shares of ParcelPal’s common stock (40%), the stock portion of 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, this will be an asset sale and ParcelPal will acquire 100% of the Acquiree’s outstanding assets and revenues generated from this delivery service location, which is located in the western region of the United States.

The parties intend to complete the proposed transaction in Q4 2021; however, the consummation of the transaction will be subject to the satisfactory completion by us of all due diligence, regulatory approvals, if any, contractual consents and the negotiation and execution of the definitive transaction agreements and satisfaction of 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: “This is another significant milestone for the Company. As you may recall, we completed our first U.S. acquisition about a month ago. This proposed new U.S. acquisition is very important because the would be customer involves a global service provider that is non-Amazon related, involves a rapidly growing site, and the would be customer is among the gold standard for delivery providers in the logistics space. This second acquisition will not only add additional significant revenue, but is also expected to serve as a stepping-stone for further U.S. expansion and increased client diversification opportunities for us. 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 initially developed in 2020.”

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 major Canadian cities including Vancouver, Calgary, and Toronto, and now in the western region of 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**

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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.