

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

*ParcelPal Logistics Inc. (the "Company")
422 Richards St., Suite 170
Vancouver, BC V6B 2Z4*

Item 2. Date of Material Change

March 22, 2023

Item 3. News Release

The news release was issued on March 22, 2023 through Newsfile Corp.

Item 4. Summary of Material Change

*The Company provided shareholders with an initial corporate update and announced it has issued 6,500,000 common shares of the Company as bonus shares (the "**Bonus Shares**") to certain officers, directors, and employees of the Company. The Bonus Shares were issued at a deemed price of \$0.05 per share, in accordance with policies of the Canadian Securities Exchange. All Bonus Shares issued are subject to a four (4) month and a day hold period.*

Item 5.1 Full Description of Material Change

See attached Schedule "A"

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis.

Item 7. Omitted Information

None.

Item 8. Executive Officer

*Rich Wheeless, Chief Executive Officer
614-395-7778*

Item 9. Date of Report

March 31, 2023



Schedule "A"

ParcelPal Provides Initial 2023 Corporate Update and Highlights Milestones

Vancouver, British Columbia – March 22, 2023 – ParcelPal Logistics Inc. (the “**Company**” or “**ParcelPal**”), (OTCQB:PTNYF) (CSE:PKG) (FSE:PT0A) is pleased to provide shareholders with the following initial corporate update, with more updates to follow in the coming days and weeks.

The Company has continued to make solid improvements in regard to its operational performance. The Company has sustained year over year revenue growth and, most importantly, 95% of our reported revenues are now recurring.

Over the last 18 months, the Company has taken a steady and measured approach to growth in a volatile economy and market. This approach has enabled us to not only continue to grow during an uncertain environment, but it has in fact led us to achieving record revenues and a significant improvement in gross margins, as highlighted during multiple quarters throughout 2022. We believe this has placed the Company in the strongest position for future growth and diversification into new technologies and innovations that will spur higher revenues, margins and increased operating performance.

In 2022, the Company onboarded multiple new B2B clients, notably in the meal kit delivery, video games, and healthcare space. The company successfully consummated its second acquisition in June of 2022, which gave the Company an increased presence in the United States with a new major carrier, and added nearly \$1M in revenues. The Company also surpassed the 20 million delivery mark since inception, with the large majority of these deliveries coming in the past 2-3 years.

Given the increase in our customer base and strong continued growth in e-commerce, we expect our growth to continue at a robust pace, driven by organic growth throughout 2023, as demonstrated by our recently reported news about having our highest January revenue month in the history of the Company (<https://finance.yahoo.com/news/parcelpal-announces-highest-january-revenue-123000788.html>).

In 2023, we will be providing a further update to shareholders concerning our plans to re-introduce and refocus on embracing and driving a new technological approach to our business. We believe the implementation of automation and various digital and mobile strategies will significantly increase our operational efficiencies along with further increasing our margins. We believe that our new tech offerings will greatly support our efforts to attain a full year of operating profitability and becoming cash flow positive on an annual basis.

CEO Rich Wheelless commented: “When I became CEO three years ago, the Company was destined to become insolvent as it had a mere \$89 in its bank account and very significant net operating losses. Despite the significant challenges this company faced in 2020, I was up for the challenge and



confident that with a plan and perseverance, we could right the ship at ParcelPal. The restructuring of ParcelPal to date has been a great deal of hard work; however, I am very proud to say that we now have successfully repositioned ParcelPal for the near and longer term opportunities that lay before us, and we confidently look forward to a successful year ahead.”

Rich further commented: “Additionally, over the past month we have found great support and interest in our story. On the other hand I recognize and fully appreciate that this has been a path of many bumpy roads of which have been further hampered by the last year of unfavorable market conditions. I thank those shareholders who have stayed supportive as we move through 2023 and for those that feel they have come to the end of the road, please reach out to me directly as I am happy to organize a block and facilitate a cross in market.”

Moving forward, shareholders can also expect to receive more consistent shareholder communications and operational updates via an engaging presence online that will place a great focus on sharing the story of ParcelPal, with further updates to come this month.

Bonus Shares Issuance

The Company also announces it has issued 6,500,000 common shares of the Company as bonus shares ("**Bonus Shares**") to certain officers, directors, and employees of the Company. The Bonus Shares are being issued at a deemed price of \$0.05 per share, in accordance with policies of the Canadian Securities Exchange. All Bonus Shares issued are subject to a four (4) month and a day hold period.

The issuance of the Bonus Shares constitutes a "related party transaction" as this term is defined in *Multilateral Instrument 61-101: Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). The issuance of the Shares was exempt from the valuation requirement of MI 61-101 by the virtue of the exemption contained in section 5.5(b) as the Company's Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) as the value of the Shares issued did not exceed 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Bonus Shares transaction as the details and amounts of the bonuses were not finalized until closer to the closing and the Company wished to close the transaction as soon as practicable, which the Company deems reasonable.

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, as well as 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.

OTCQB – Symbol: **PTNYF**

CSE – Symbol: **PKG**

FSE – Symbol: **PTOA**

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Forward-Looking Information

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should” or “would” occur. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release. These forward-looking 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 forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation: general business, economic and social uncertainties; litigation, legislative, environmental, and other judicial, regulatory, political, and competitive developments; and other risks outside of the Company’s control.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. These forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update these forward-looking statements.