



ParcelPal Logistics Begins Expansion of its Warehousing Division with an LOI for its First Hybrid Facility in the United States

Vancouver, British Columbia – January 30, 2024 – ParcelPal Logistics Inc. (the “Company” or “ParcelPal”), (OTCQB:PTNYF) (CSE:PKG) (FSE:PT0A) is pleased to announce that it has executed a non-binding Letter of Intent (“LOI”) with a significant data center equipment manufacturing company, pursuant to which ParcelPal will initiate its new 2024 expansion plan to increase its warehousing footprint and related revenues. To initiate this business line, we plan to lease one U.S. based hybrid facility to start, with the plan to expand into additional similar U.S. based facilities. In connection with the initial facility, and pursuant to the term of the LOI, this client will sublease space from the Company, and be responsible to deliver and setup up to 10,000 antminer machines in each hybrid facility. ParcelPal will provide space, utilities, personnel and other necessities to operate this business line in exchange for a fee to be set forth in the definitive agreement, for which the minimum payment to ParcelPal will cover all costs, plus an arbitrage based profit spread.

The goal with this transaction is to further diversify our business in a vertically compatible space (with our logistics business), with the immediate goal of 100% occupancy and net profitable operations on or about March 30, 2024, which the Company is diligently working towards. According to the financial model and antminer machine output, assuming full monthly uninterrupted capacity at the initial facility, we anticipate the Company to recognize approximately \$100K in revenue on the low end, and up to \$500K on the upper echelon of the financial model, which, of course, is subject to a variety of factors and assumptions.

Pursuant to the terms of the LOI, and subsequent definitive agreement, ParcelPal will retain seventy five percent (75%) of the net revenues generated at each facility we arrange and operate for this business line. We anticipate signing a definitive agreement for the first facility in the next 30-45 days upon, and subject to, completing full diligence, entry into a lease agreement, retention of necessary technical and personnel support and entry into a utility contract in-line with the energy needs of the facility, as well as further analysis on pricing, legal and regulatory compliance matters, and customary closing terms and conditions. Upon entry into such definitive agreement, along with the facility lease agreement and other material items related thereto, we will issue a further press release and public filings disclosing such material terms and conditions. Assuming completion and initiation of operations at this initial facility, the Company plans to expand the initial phase of this business to identify additional compatible crypto-mining capable facilities to optimize and increase revenues based on an increased number of housed antminer machines for additional contract-based volume revenues.



CEO Rich Wheelless stated, "The signing of this LOI and the ratification of a full-length agreement will be a major milestone for the Company as we have made it clear that we want to find opportunities that have much higher margins than certain of our previous endeavors. Further, it will allow us to be able to expand our technology and warehousing initiatives that are singularly focused on increasing company growth and revenue much more rapidly. To be clear, this transaction and business line will not be contingent on the price of any cryptocurrency, but rather warehouse occupancy and energy cost arbitrage. I believe this business line will be a great foundation from which we can rapidly expand with additional clients once we have proven this model to be effective for new clients and conducive to ParcelPal's 2024 expansion plan. We look forward to getting this started quickly and unlocking long-awaited shareholder value."

Following consummation of this business line, the Company plans to conduct follow-up interviews with viable CFO candidates for hire, some of whom we have held initial discussions. We will provide a further update when the hire is named.

Resignation and Appointment of New Board Members

The Company today also announces that it has appointed Michael Sprague to its board of directors. Mr. Sprague has an extensive background in e-commerce and social media and has spent the majority of his career in the technology space. Additionally, he has served as an executive and other roles in multiple publicly traded companies. The timing of Mr. Sprague joining our board fits perfectly with our new re-focus on the technology side of the warehousing and logistics industry. Simultaneous with this appointment, existing director Mr. Robert Faissal has stepped down as a Company director, effective immediately. Mr. Faissal's resignation is not the result of any disagreement or discord, and is instead due to his desire to focus on other business matters at this time. We thank Mr. Faissal for his years of service and support to the Company.

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. 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 news release contains forward-looking statements relating to 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 company or our counterpart to the LOI of definitive agreement related thereto, failure to receive, be satisfied with or complete delivery of satisfactory due diligence documents and information, and the risk that ParcelPal will not be successful due to, among other things, general risks relating to the logistics, warehousing or cryptocurrency industries, failure of ParcelPal to gain market acceptance of the transaction, and potential challenges related to expansion into a burgeoning industry, or with state, federal or local regulations that may not yet exist or be amended or instituted with the effect of preventing or shutting down our business line, or further result in negative financial harm or results. Although the Company believes that the expectations expressed in the forward-looking statements are reasonable, there can be no assurance that such expectations or forward-looking statements will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results.

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 or U.S. securities laws.