

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

May 1, 2024

Item 3. News Release

The news release was issued on May 1, 2024 through Newsfile Corp.

Item 4. Summary of Material Change

The Company announced that, further to its news release dated April 16, 2024 (the "Announcement"), its principal regulator, the British Columbia Securities Commission, has accepted the Company's application for, and has granted, a management cease trade order (the "MCTO").

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 Wheelless, Chief Executive Officer
614-395-7778*

Item 9. Date of Report

May 6, 2024



PARCELPAL GRANTED MCTO BY BCSC

Vancouver, British Columbia – May 1, 2024 – ParcelPal Logistics Inc. (the "**Company**" or "**ParcelPal**"), (OTCQB:PTNYF) (CSE:PKG) (FSE:PTOA) announces that, further to its news release dated April 16, 2024 (the "**Announcement**"), its principal regulator, the British Columbia Securities Commission, has accepted the Company's application for, and has granted, a management cease trade order (the "**MCTO**"). As previously announced, the Company applied for the MCTO as it anticipated a delay in the filing of the Company's annual financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2023 (the "**Required Filings**"), due on April 29, 2024. The Company determined that it is unable to file, without unreasonable effort or expense, its Required Filings by the prescribed due date, as its auditor BF Borgers, Chartered Professional Accountants, has been terminated as a participating audit firm by the Canadian Public Accountability Board.

The Company is working expeditiously to appoint the new auditor it has identified and to complete the audit as soon as possible. The Company plans to remedy the default and file the Required Filings as soon as it is able to do so and expects such filings to occur on or prior to June 10, 2024.

The MCTO restricts the Chief Executive Officer and Chief Financial Officer from all trading in securities of the Company until such time as the Annual Filings have been filed by the Company and the MCTO has been lifted. The MCTO does not affect the ability of other shareholders of the Company to trade in securities of the Company. The Company continues to work diligently toward completing the Annual Filings as soon as possible. The Company is not aware of any specific accounting or audit concerns at this time.

Until the Annual Filings are filed, the Company intends to comply with the provisions of the alternative information guidelines as set out in National Policy 12-203 – *Management Cease Trade Orders* ("**NP 12-203**") for as long as it remains in default, including the issuance of bi-weekly default status reports in the form of a news release. The Company confirms that since the date of the Announcement: (i) there has been no material change to the information set out in the Announcement that has not been generally disclosed; (ii) there has not been any other specified default by the Company under NP 12-203; (iii) the Company is not subject to any insolvency proceedings; and (iv) there is no material information concerning the affairs of the Company that has not been generally disclosed.

About ParcelPal Logistics Inc.

ParcelPal is a Vancouver, British Columbia company, with operations in the United States, 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**

Contact Information

Investor Contact

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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 Required Filings will not be completed or on time due to, among other things, failure to agree to the terms with a new auditor, 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, and potential challenges related to expansion, 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.