

**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 13, 2024

Item 3. News Release

The news release was issued on May 15, 2024 through Newsfile Corp.

Item 4. Summary of Material Change

The Company announced that it has engaged a new auditor and provided a further update on the status of a management cease trade order that the British Columbia Securities Commission issued on May 1, 2024.

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

May 16, 2024



ParcelPal Provides Update on Status of MCTO and Announces Change of Auditor

Vancouver, British Columbia – May 15, 2024 – ParcelPal Logistics Inc. (the "**Company**" or "**ParcelPal**"), (OTCQB:PTNYF) (CSE:PKG) (FSE:PTO) is providing notice that it has formally engaged a new auditor, and is also providing a further update on the status of a management cease trade order (the "**MCTO**") that the British Columbia Securities Commission issued on May 1, 2024, each of which is more fully described below.

The Company is pleased to announce that it has changed its auditor from BF Borgers CPA, PC ("**BF Borgers**") to Turner, Stone & Company, L.L.P. CPA ("**TS & Company**") as its independent registered public accounting firm. The Board of Directors of the Company approved the appointment of TS & Company as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2023, effective May 13, 2024.

In connection with the change of auditor, the Company provides that: (a) there were no disagreements between the Company and the former auditors on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement in connection with its report; (b) no reportable events (as the term is defined in National Instruments 51-102 – Continuous Disclosure Obligations) between the Company and BF Borgers, and (c) there were no reservations in BF Borgers audit reports for any financial period during which BF Borgers was the Company's auditor, except as it relates to its going concern opinion related matters.

The Company and its auditors are working diligently toward completing the Required Filings as soon as possible. The Company previously announced it expected to file the Required Filings by June 10, 2024, but now anticipates completing the Required Filings on or before June 28, 2024.

Leading up to the above noted change in auditor, in primary part due to the situation surrounding BF Borgers' current inability to act as an auditor to Canadian public companies, the Company was granted a voluntary MCTO under National Policy 12-203 – *Management Cease Trade Orders* ("**NP 12-203**"). Further to its news release dated April 16, 2024 (the "**Announcement**") for which the Company applied for the MCTO in order to secure additional time for the Company to file its audited annual financial statements and the related management's discussion and analysis for the fiscal year ended December 31, 2023, (the "**Required Filings**"), which were originally due on April 29, 2024.

The MCTO prohibits all trading in the capital of the Company, whether directly or indirectly, by the Company's CEO and CFO. The MCTO does not affect the ability of other shareholders to trade in the securities of the Company.

The Company confirms that since the date of the Announcement: (i) other than as described above, there has been no material change to the information set out in the Announcement that has not been generally disclosed; (ii) other than as described above, there has been no failure by the Company in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines set out in NP 12-203; (iii) there has not been any other specified default by the Company under NP 12-203; and (iv) there is no other material information concerning the affairs of the Company that has not been generally disclosed.

The Company will continue to satisfy the provisions of the alternative information guidelines under NP 12-203 by issuing bi-weekly default status reports in the form of news releases for so long as it remains in default of the above-noted filing requirements.

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

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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.