

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: ParcelPal Logistics Inc. (the “Issuer”).

Trading Symbol: PKG

Number of Outstanding Listed Securities: 118,938,878

Date: July 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On July 6, 2021, the Issuer announced the signing of an agreement for its first warehouse in the Vancouver area as more particularly described in Item 5 herein.

On July 12, 2021, the Issuer announced a partnership with Mainstreet Research (“Mainstreet”) as more particularly described in Item 5 herein.

On July 14, 2021, the Issuer announced that it has signed a “letter of intent” to acquire a United States delivery service company (the “Acquiree”) as more particularly described in Item 7 herein.

2. Provide a general overview and discussion of the activities of management.

The Issuer is a technology-driven logistics company that connects consumers to the goods they love. Customers can shop at partner businesses and through the Issuer's technology can receive their purchased goods within an hour or the same day. The Issuer offers on-demand delivery of merchandise from leading retailers, restaurants, medical marijuana dispensaries, pharmacies and liquor stores in Vancouver, Calgary, Edmonton, Toronto and soon in major cities Canada-wide.

Management continues executing its strategic plan, attracting potential partnerships and looking at further city expansions. Management has been reinvesting into its technology platform and has begun to scale its services across Canada and now into the United States.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer continues its operations in British Columbia and Alberta and expanded its footprint with Amazon covering more areas and delivering more packages across the Lower Mainland and British Columbia. The Issuer has now expanded to Ontario, with Toronto being the first city, starting with its courier services, with its on demand marketplace to follow.

The Issuer has a contactless delivery program, as an option to better allow handling of all items that mitigates any potential exposure to COVID-19 for all parties involved with the transactions.

The Issuer has entered into a delivery and fulfilment agreement for pharmaceuticals and COVID-19 supplies including test kits in British Columbia, Alberta and Ontario with potential access to over 40 pharmacies nationwide. Customers will have access to on-demand and same day delivery for all their pharmaceutical needs through this strategic partnership. The integration process is being tested in Vancouver. The initiative will launch in BC then Alberta and Ontario shortly thereafter.

The program will work within all provinces, allowing patients to upload a photo of their paper prescription, pay their co-pay, have a video visit with a pharmacist, and schedule delivery to any location of their choosing. If people prefer not to use technology, they also have the option to do the entire process over the phone. On the physician's end, they have access to an analytics platform where they can track prescription status, insurance approvals and delivery confirmation.

The Issuer provides next day delivery services in the greater Vancouver and Toronto areas to Oco Meals, one of Vancouver's fastest growing and trusted providers of meal kits. Oco Meals is a meal prep company that offers a weekly subscription service where they prepare and deliver pre-cooked meals that are made by small restaurant and catering chefs locally in Vancouver and Toronto.

The Issuer has entered into an agreement to provide delivery services with Bayshore Specialty Rx (specialty pharmacy, infusion, and pharmaceutical patient support services). Bayshore Specialty Rx is a subsidiary of Bayshore Health which is one of Canada's leading providers of home and community healthcare services. With over 100 locations across the country, including 65 home care offices, 13 pharmacies and 90+ clinics, Bayshore has more than 13,500 staff members and provides care to over 350,000 clients. The Issuer provides same day and next day prescription delivery to different facilities in the Vancouver, British Columbia area to start, with other cities to follow.

The Issuer has entered into an agreement to provide delivery services with Sysco@Home. Sysco@Home is the global leader in selling, marketing and distributing food products to restaurants, healthcare, educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. The Issuer is working with the newly launched "at-home" division that offers a wide range of restaurant-quality food products, including dairy, cut meats, poultry, fresh produce, freezer and pantry staples, in addition to household products and cleaning supplies. The Issuer currently provides delivery services to Sysco@Home in Calgary and Edmonton and is looking to expand into additional major cities and territories with them.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On July 6, 2021, the Issuer announced the signing of an agreement with a third party for its first warehouse in the Vancouver area. As part of the Issuer's continued expansion and growth plan, it has executed a lease agreement for a sizable (5,083 square feet) warehouse in Coquitlam. This will allow the Issuer to service many of its new customer agreements more efficiently and more cost-effectively. This will also have the added benefit of enabling the Issuer to expand and scale faster. As a result of the added warehousing and delivery capabilities, it will enable the Issuer to service larger clients that have approached the Issuer in recent months. Additionally, based on an anticipated surge of online delivery needs and expanded business opportunities in the second half of the year, the Issuer may have the need for an additional larger warehouse in one of the other major cities in which the Issuer operates, subject to a number of factors and consideration in the normal course of an operating business.

On July 12, 2021, the Issuer announced a partnership with Mainstreet Research. Mainstreet Research is recognized as one of Canada's top public opinion and market research firms. Mainstreet uses algorithms and data to deliver the insights that are critical to business decisions. Supply chain analytics can be a huge advantage for the Issuer in certain aspects of its business including: price optimization, discount optimization, staffing/contract optimization, warehousing optimization and shipping/routing optimization. Also, leveraging analytics is always beneficial for businesses as it has the potential to process both

unstructured and structured data to keep companies ahead of the curve. Also, it sends timely alerts that helps in better decision making.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On July 14, 2021, the Issuer announced that it has signed a “letter of intent” to acquire a United States delivery service company. In its most recent fiscal year 2020, the Acquiree generated gross revenues of approximately \$4.6 million USD.

The total purchase price (the “*Purchase Price*”) is expected to be \$3.1 million USD, payable in cash (60%) and in restricted shares of the Issuer’s common stock (40%, 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, the Issuer will acquire 95% of the outstanding shares of Acquiree’s capital stock, and Acquiree will enter into an exclusive services agreement with its principal business source (which will also contain non-interference and non-competition clauses to further enhance the likelihood of the short and long term success of the acquired business).

The parties intend to complete the proposed transaction between July 30 and August 10, 2021; however, the consummation of the transaction will be subject to the satisfactory completion by the Issuer of all due diligence, regulatory approvals, if any, and the negotiation and execution of the definitive transaction agreements and satisfaction of the customary conditions negotiated therein. The cash portion of the purchase price, which the Issuer currently anticipates paying in two to three tranches beginning on the closing date, will be from either (or a combination of) existing cash, the use of an equity line of credit facility and/or a non-brokered private placement financing. 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.

Acquiree will become a subsidiary of the Issuer and will continue to operate under its existing name with little to no interruption to ensure the quality and continuity of service that it has delivered to date. The Issuer anticipates no major changes in the short term to the Issuer upon completion of the proposed transaction, and currently intends to appoint Acquiree’s senior executive within the Issuer for further integration of the business.

8. Describe the acquisition of new customers or loss of customers.

The Issuer has increased operations for COVID-19. The Issuer has had a significant uptick in total deliveries as a result of an increased number of vendors that are being serviced as well as an increase in the Issuer’s active user base. In addition, the Issuer has opened higher radiiuses of delivery for clients and vendors.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

The Issuer continued marketing initiatives designed to develop and enhance the ParcelPal brand in Vancouver, Calgary, Edmonton, Toronto and soon in major cities Canada-wide.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

None

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Issuer operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Issuer's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Issuer's operations. As a result, there exists material uncertainty that casts significant doubt about the Issuer's ability to continue as a going concern.

The ongoing COVID-19 pandemic has resulted in a greater number of people working and/or staying at home, resulting in an increase in demand for same day and on-demand delivery services.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 4, 2021.

Rich Wheeless

Name of Director or Senior Officer

"Rich Wheeless"

Signature

CEO

Official Capacity

Issuer Details <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> YY/MM/DD
ParcelPal Logistics Inc.	July 2021	21/08/04
<i>Issuer Address</i>		
#620 – 1111 Melville St.		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
Vancouver, BC V6E 3V6	N/A	(587) 883-9811
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
Rich Wheeless	CEO	614-395-7778
<i>Contact Email Address</i>	<i>Web Site Address</i>	
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