



PLAYGROUND VENTURES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

May 27, 2021

"Chris Irwin"
Chief Executive Officer

"Sophia Tomory"
Chief Financial Officer

PLAYGROUND VENTURES INC.
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2021 and December 31, 2020
(Expressed in Canadian dollars)

	Note	March 31, 2021	December 31, 2020
		\$	\$
ASSETS		(unaudited)	(audited)
Current			
Cash		330,473	148,449
HST receivable		5,517	18,977
Prepaid expenses and other assets	7	756,630	255,417
		1,092,620	422,843
Intangible assets	8	1,123,552	1,123,552
		2,216,172	1,546,395
LIABILITIES AND EQUITY			
Current			
Trade payables and accrued liabilities		96,723	210,478
Equity			
Share capital	9	9,781,495	8,880,287
Warrant reserve	9	766,289	498,552
Share based payment reserve	10	578,402	178,886
Deficit		(9,006,737)	(8,221,808)
		2,119,449	1,335,917
		2,216,172	1,546,395

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent event (Note 13)

On behalf of the Board of Directors on May 27, 2021:

("signed")
Jon Gill
Director

("signed")
Chris Irwin
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGROUND VENTURES INC.
Condensed Interim Consolidated Statements of Comprehensive Loss
For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three months ended March 31, 2021 \$	Three months Ended March 31, 2020 \$
Operating expenses			
Consulting and management fees		167,639	60,000
General and administrative		2,479	1,384
Professional fees		37,661	7,236
Equity issuance expense	10	666,226	
		874,005	(68,620)
Other items			
Loss on debt settlements	9	(92,455)	-
Interest Income		2,645	-
Gain (loss) on foreign exchange		-	(4)
		(89,810)	(4)
Net loss and comprehensive loss		(963,815)	(68,624)
Loss per share - basic and diluted	11	(0.03)	(0.01)
Weighted average number of common shares outstanding			
Basic	11	28,016,000	9,149,000
Diluted	11	40,051,000	9,149,000

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PLAYGROUND VENTURES INC.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

	Note	Number of Shares	Shares Issued		Share-based Payment Reserve	Deficit	Total
			Amount	Warrant Reserve			
			\$	\$	\$	\$	\$
Balance, December 31, 2019		9,148,921	7,268,379	-	178,886	(8,072,545)	(625,280)
Net loss for the period		-	-	-	-	(68,624)	(68,924)
Balance, March 31, 2020		9,148,921	7,268,379	-	178,886	(8,141,169)	(691,798)
Share issued on private placements		8,527,272	861,000	-	-	-	861,000
Units issued on acquisition of 1279078 BC Ltd.		5,000,000	625,000	498,552	-	-	1,123,552
Shares issued on debt settlements		1,155,140	150,168	-	-	-	150,168
Cost of share issuance		-	(24,260)	-	-	-	(24,260)
Net loss for the period		-	-	-	-	(80,639)	(149,263)
Balance, December 31, 2020		23,831,333	8,880,287	498,552	178,886	(8,221,808)	1,335,917
Options cancelled	10				(178,886)	178,886	-
Option Issuances	10				666,226		666,226
Option redemption	9	500,000	170,325		(87,825)		82,500
Warrant issuance	9			267,737			267,737
Shares issued for private placements	9	5,901,108	531,771				531,771
Shares issued for debt	9	1,155,682	219,580				219,580
Cost of share issuances	10		(20,468)				(20,468)
Net loss for the period						(963,815)	(963,815)
Balance, March 31, 2021		31,388,123	9,781,495	\$766,289	578,402	(9,006,197)	2,119,449

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PLAYGROUND VENTURES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three Months Ended March 31, 2021 \$	Three Months Ended March 31, 2020 \$
Operating activities			
Loss for the period		(963,815)	(68,624)
Adjustments to reconcile net loss to cash used in operating activities:			
Equity issuance expense	10	666,226	-
Loss on settlement of debt	9	92,455	-
Changes in non-cash working capital:			
HST receivable		13,460	1,337
Prepaid expenses	7	(31,213)	-
Trade payables and accrued liabilities		13,371	61,678
Cash provided from (used in) operating activities		(209,516)	(5,609)
Investing activities			
Advances on demand promissory note	7	(470,000)	-
Cash provided from financing activities		(470,000)	-
Financing activities			
Receipts on options exercised	9	82,500	-
Receipts of common share issuances	9	799,508	-
Share issuance costs	9	(20,468)	-
Cash provided from financing activities		861,540	-
Increase in cash		182,024	(5,609)
Cash, beginning of period		148,449	44,719
Cash, end of period		330,473	39,110
Supplemental information			
Interest paid		-	-
Income tax paid		-	-
Share consideration for settlement of debt		219,580	-

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PLAYGROUND VENTURES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

1. NATURE OF OPERATIONS

BlocPlay Entertainment Inc. was incorporated under the British Columbia Business Corporations Act (“BCBCA”) on October 30, 2014. The Company is a developer of platforms and video game publisher that publishes video games that the Company either develop internally or engage a video game developer to develop for them. The Company’s registered office is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, Canada. The Company’s shares trade on the Canadian Securities Exchange under the symbol “PLAY”.

Corporate Name Change

On April 30, 2021, the Company announced that it would be changing its corporate name to "Playground Ventures Inc." The Company's stock symbol on the Canadian Securities Exchange will remain as "PLAY", and the Company commenced trading under the new name on market opening on Monday, May 3, 2021.

2. GOING CONCERN

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations. The Company has a net loss for the three months ended March 31, 2021 of \$963,815 (three months ended March 31, 2020 – loss of \$68,624). The Company’s cumulative deficit was \$9,006,737 as of March 31, 2020 (December 31, 2020 - \$8,221,808). As the Company continues to develop its core offerings, it will require additional financing to meet its working capital requirements. The net working capital as of March 31, 2021 was \$995,897 (December 31, 2020 - \$212,365). During the three months ended March 31, 2021, the Company raised \$799,508 through the issuance of 5,901,108 (March 31, 2020 – nil) common shares and 3,759,658 warrants, and there is no guarantee of the Company’s ability to obtain future financing. These conditions cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with debt offerings and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These condensed interim consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial reporting on the basis of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). These condensed interim financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2020, which has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

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These condensed interim consolidated financial statements were approved and authorized by the Board of Directors of the Company on May 27, 2021.

3.2 Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Stompy Bot Productions Inc., TokenPlay Inc. (“TokenPlay”) and 1279078 BC Ltd. (“BCCo”), from the date of obtaining control, being the effective date of December 16, 2020. All inter-company transactions and balances have been eliminated upon consolidation.

3.3 Basis of presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of These condensed interim consolidated financial statements are outlined below:

Going concern

Determining whether there exists material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern requires management to exercise its judgment, in particular about its ability to obtain funds to continue operations (Note 2).

Calculation of share-based payments

The Black-Scholes Option Pricing Model is used to determine the fair value for the stock options and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

The Company derives its revenues from two sources: (a) development fees, which is contract specific for development of technology; and (b) online game sales and platform sales. Development fee revenue is recognized when there is persuasive evidence of an agreement, the fee is measurable, the Company has performed its service in accordance with the agreement and collectability is reasonably assured.

Online game sales are sold to end customers through the Company's website and platform. These sales are recognized when the product is delivered to the customer. Testing sales are deferred against their related capitalized development costs and recognized once the game reaches commercialization.

4.2 Earnings per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4.3 Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity - settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share - based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

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4.4 Intangible assets

Intangible assets acquired from third parties are measured initially at their fair value and either classified as indefinite life or finite life depending on their characteristics. Internally generated intangible assets, such as development costs, are capitalized only when the product is technically and commercially feasible, the costs of generating the asset can be reliably measured, and there is an adequate plan to complete the project. Revenues associated with testing products under development is recorded as a reduction of development costs. Intangible assets with indefinite lives are tested for impairment at least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually.

5. CAPITAL MANAGEMENT

The Company manages its common shares and accumulated deficit as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets in order to adjust the amount of cash on its balance sheet.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any restrictions in the management of its capital. There were no changes in the Company's approach to capital management during the year.

6. FAIR VALUE AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

Cash is measured using Level One inputs.

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As at March 31, 2021 and 2020, both the carrying and fair value amounts of the Company's cash, demand promissory note, trade and other payables are approximately equivalent due to their short term nature.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and demand promissory note receivable (note 7). Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management and cash held in trust with the lawyers. Management believes credit risk with respect to financial instruments included in cash is minimal. The Company's maximum exposure to credit risk as at March 31, 2021 and 2020 is the carrying value of cash and the demand promissory note receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities. All amounts in trade and other payables are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk.

Foreign currency risk

The Company is exposed to foreign currency risk due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company is not exposed to significant foreign currency risk based on its current operations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

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COVID-19 and its impact on the business environment

Beginning in March 2020, the Governments of Canada and the United States, as well as other foreign governments instituted emergency measures as a result of the COVID-19 virus outbreak. The virus has had a major impact on North America and international securities, currency markets and consumer activity which may impact the Company's financial position, its results of future operations and its future cash flows significantly. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of future operations, financial position, and liquidity in fiscal year 2021.

7. PREPAID EXPENSES AND OTHER ASSETS

	March 31, 2021	December 31, 2020
Prepaid management fees	\$133,985	\$105,417
Other Current Asset	2,645	-
Demand Promissory Note	620,000	150,000
Total prepaid expenses	\$756,630	\$255,417

On December 1, 2020, the Company entered into an agreement with a company whose director is also a director of the Company whereby the Company was charged \$110,000 as a signing bonus. The term of the agreement was originally for two years. On March 25, 2021, the Company amended to a three-year agreement. The Company recognized the amount as a prepaid and will amortize over the new term of the agreement. During the quarter ended March 31, 2021, the Company amortized \$7,639 on the consolidated statement of loss.

The Company has advanced \$620,000 to Countervail Games as a demand promissory note in connection with an exclusivity agreement between the Company and Countervail Games with respect to a potential investment, with terms to be defined and subject to due diligence. The demand promissory note bears 3% interest and due on demand.

8. INTANGIBLE ASSETS

	Modern Miner	Total
	\$	\$
Cost		
As at December 31, 2020	1,123,552	1,123,552
Addition	-	-
As at March 31, 2021	1,123,552	1,123,552

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8. INTANGIBLE ASSETS (continued)

Development costs are capitalized based on the criteria in IAS 38 – Intangible Assets. Once commercialization of the game is reached, these costs and corresponding revenue will be systematically recognized in the statement of comprehensive loss over the expected life of the game, estimated at four years.

On December 16, 2020, the Company acquired all issued and outstanding common shares BCCo through a non-arm’s length share purchase agreement dated December 16, 2020 (the “Transaction”). As consideration for the Transaction, the Company issued an aggregate of 5,000,000 common shares in the capital of the Company (the “Consideration Shares”) and issued an aggregate of 5,000,000 common share purchase warrants (the “Warrants”). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company (each a, “Common Share”) at a price of \$0.15 per Common Share for a period of five years from the date of issuance. The Consideration Shares were valued at \$625,000 and the Warrants were valued at \$498,552 and both recorded as an increase in intangible assets.

BCCo is a private company formed under the laws of British Columbia, that creates, develops and publishes software related to mobile games and applications. BCCo is currently developing Modern Miner, a mobile game application that will connect the value of exploration to gaming, which it expects to release in the coming year.

9. SHARE CAPITAL

Authorized: An unlimited number of common shares.

a) Issued and outstanding:

	Number of Shares	Amount (\$)
Balance, December 31, 2020	23,831,333	\$ 8,880,287
Option redemption	500,000	170,325
Shares issued on private placements	5,901,108	531,771
Shares issued for debt	1,155,682	219,580
Cost of share issuances	-	(20,468)
Balance, March 31, 2021	31,388,123	\$ 9,781,495

Private Placements

During January and February 2021 the Company issued an aggregate of 2,141,450 common shares at a price of \$0.11 for each common share for gross proceeds of \$235,560.

On March 7, 2021 the Company closed a non-brokered private placement of 3,759,658 units at a price of \$0.15 per unit for gross proceeds of \$563,949. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.20 for a period of 36 months. Using the relative fair value method, \$267,737 was allocated to the attached warrants.

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9. SHARE CAPITAL (continued)

Debt Settlements

On January 14, 2021, the Company issued an aggregate 1,155,682 common shares at a price of \$0.11 per common shares to settle an aggregate of \$127,125 indebtedness with non-arm's length creditors. Due to the debt settlements, the Company incurred a loss of \$92,455 on debt settlement.

b) Warrants:

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2020	5,000,000	\$ 0.150
Warrant issuance	3,759,658	0.200
Balance March 31, 2021	8,759,658	\$ 0.171

The following table reflects the warrants issued and outstanding as of March 31, 2021:

Issue date	Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
December 16, 2020	5,000,000	498,552	0.15	December 16, 2025
March 7, 2021	3,759,658	267,737	0.20	March 7, 2024

b) Warrants:

The relative fair value method was utilized to allocate the value of the warrants issued during the quarter. The fair value of the warrants issued was estimated using the Black Sholes Option Pricing Model with the following assumptions for Q1 2021:

	March 7, 2021
Expected life	3 years
Expected volatility	118.02%
Risk-free interest rate	0.49%
Dividend yield	Nil
Underlying share price	\$0.33
Exercise price	\$0.20

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9. SHARE CAPITAL (continued)

c) Reserves

The warrant reserve records items recognized as share-based payments for warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The share-based payment reserve records items recognized as share-based payment expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

The equity reserve records items recognized as the equity portion of convertible debentures until such time that the convertible debentures are exercised, at which time the corresponding amount will be transferred to share capital.

10. STOCK OPTIONS

The Company has a stock option plan (the “Plan”) under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2020	150,000	\$ 1.000
Option cancelled	(150,000)	1.000
Option issuances	3,625,000	0.191
Option redemption	(500,000)	0.165
Balance, March 31, 2021	3,125,000	\$ 0.195

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10. STOCK OPTIONS (continued)

The following table provides additional information about outstanding stock options at March 31, 2021:

Issuance Date	Number of Outstanding Options	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price – Exercisable Options
January 8, 2021	1,925,000	4.78	\$ 0.165	1,925,000	\$ 0.165
January 13, 2021	500,000	4.79	0.180	500,000	0.180
February 4, 2021	100,000	4.85	0.200	100,000	0.200
March 7, 2021	600,000	4.93	0.280	600,000	0.280
March 31, 2021	3,215,000	4.81	\$ 0.195	3,215,000	\$ 0.195

11. LOSS PER SHARE

The weighted average number of shares includes common shares. The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses.

The calculation of basic and diluted (loss) per share for the period ended was based on the information in the table below.

	For the period ended	
	March 31, 2021	March 31, 2020
Basic weighted average number of shares outstanding - beginning and ending balance	28,016,000	9,149,000
Dilutive weighted average number of shares outstanding	40,051,000	9,149,000
Net loss	\$ (963,815)	\$ (68,624)
Weighted average basic loss per share	\$ (0.03)	\$ (0.01)
Weighted average diluted loss per share	\$ (0.03)	\$ (0.01)

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12. RELATED PARTIES AND KEY MANAGEMENT

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to former and current key management includes the following:

Three Months Ended March 31	2021	2020
	\$	\$
Short-term employee benefits	122,955	60,000
Total compensation to key management	122,955	60,000

Included in trade and other payables as at March 31, 2021 are amounts of \$44,342 (December 31, 2020 - \$129,950) due to directors and former directors of the Company and companies with common directors. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Per an agreement, the Company has an amount of \$102,361 in prepaid expenses to a company whose director is also a director of the Company. In addition, under this agreement, the Company is committed to a monthly consulting fee of \$15,000 per month until December 1, 2023.

During the three months ended March 31, 2021, the Company issued 1,155,682 common shares to settle \$127,125 of debt to a company whose director is also a director of the Company, resulting in a loss on the settlement of \$92,455.

13. SUBSEQUENT EVENTS

Letter of Intent

On April 12, 2021, The Company has entered into binding letter of intent (the "LOI") with Ludare Games Group Inc. ("Ludare Games") to acquire a forty percent (40%) interest of a mobile game project (the "Acquisition"). As consideration for the Acquisition, the Company will issue 1,670,000 common shares in the capital of the Company to Ludare Games and make an investment in the amount of \$300,000 into the project.

Investment

On May 11, 2021, The Company announced that it has signed an agreement to invest \$350,000 CDN into TinyRex Games Inc. ("TinyRex") as they complete an oversubscribed private placement for gross proceeds of \$1.5 million. TinyRex is a Vancouver based mobile games studio founded by Kenny Huang, Haig Sakouyan, Tim Harris & Ernest Chan. A leadership team with a history of commercial success in the video game and social casino industry.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGROUND VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

Demand promissory note

The Company extended its due diligence period with Countervail games to the end June 2021 and the demand promissory note has increased to \$720,000.

Consulting Agreement

In May 2021, the Company entered into a consulting agreement for the amount of \$5,000 per month up to May 1, 2022.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.