

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Playground Ventures Inc. (the “**Company**”)  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

2. **Date of Material Change**

October 1, 2021

3. **News Release**

A press release disclosing the material change was released on October 1, 2021, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company entered into a share purchase agreement dated September 27, 2021 (the “**Share Purchase Agreement**”) with Countervail Games Ltd. (“**Countervail**”) and the shareholders of Countervail (collectively, the “**Sellers**”), pursuant to which the Company acquired all of the issued and outstanding common shares of Countervail (the “**Transaction**”). As consideration for the transaction, the Company issued 16,000,000 common shares in the Capital of the Company (the “**Consideration Shares**”) to the Sellers under escrow agreement.

5. **Full Description of Material Change**

The Company entered into a share purchase agreement dated September 27, 2021 (the “**Share Purchase Agreement**”) with Countervail Games Ltd. (“**Countervail**”) and the shareholders of Countervail (collectively, the “**Sellers**”), pursuant to which the Company acquired all of the issued and outstanding common shares of Countervail. As consideration for the transaction, the Company issued 16,000,000 common shares in the Capital of the Company (the “**Consideration Shares**”) to the Sellers under escrow agreement.

All securities issued pursuant to the Transaction will be subject to the statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

In connection with the Transaction, the Consideration Shares were deposited into escrow with an escrow agent (the “**Escrow Agent**”) pursuant to an escrow agreement (the “**Escrow Agreement**”) dated September 27, 2021 among the Company, the Sellers and the Escrow Agent. The Consideration Shares are subject to the following escrow provisions: as to 1/7 immediately upon closing of the Transaction (the “**Closing Date**”) with 1/7 additional Consideration Shares being released from escrow every six months following the Closing Date. Upon being released from escrow on the release dates, the Escrow Agent will, as soon as reasonably practicable after the applicable release dates, deliver to the Sellers certificates evidencing the escrowed shares released from escrow on the applicable release dates duly registered in accordance with, and in such amounts as are set forth in the Share Purchase Agreement, such certificates to be registered in the name of the Sellers. For clarity, the Escrow Agent shall only release the applicable number of escrowed closing shares to each Seller for which it has received a written direction on a given release date.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

**(a) a description of the transaction and its material terms:**

In connection with the Transaction 12,000,000 Consideration Shares were issued to an insider of the Company.

**(b) the purpose and business reasons for the transaction:**

Formed under the laws of British Columbia, Countervail is a mobile game developer with a focus on generating an innovative user experience through a never seen before patent pending technology that integrates live video content with digital game play. This proprietary IP is combined with in-game advertising and brand sponsorship technology application. In partnership with a high-profile game developer in the action sports genre, Countervail owns an exclusive mobile game project licensed with the largest online skateboarding community in the world. The mobile game is fully developed and in soft launch worldwide.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

The development of the intellectual property will place the Company in a position to create a market space that management believes is currently unaddressed.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

In connection with the transaction, 1201719 B.C. Ltd., a company controlled by Emma Fairhurst, received 12,000,000 Common Shares.

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (I) for which there would be a material change in that percentage:**

Prior to the completion of the Transaction, Ms. Fairhurst beneficially owned and controlled, directly or indirectly, 7,925,000 Common Shares, 6,525,000 common share purchase warrant and 750,000 options representing 20.11% on an undiluted basis and 32.56% on a partially diluted basis. Following the completion of the Transaction, Ms. Fairhurst beneficially owns and controls, an aggregate of 19,925,000 Common Share, 6,525,000 common share purchase warrants and 750,000 options, representing approximately 35.96% of the Company's issued and outstanding Common Shares on a undiluted basis and 43.39% of the Company's issued and outstanding on a partially diluted basis.

**(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

At the Company's annual and special shareholder meeting held on July 14, 2021, the Company received the approval of the disinterested shareholders to authorize the Transaction.

Pursuant to the minority shareholder approval requirements of MI 61-101, the votes attached to Common Shares held by Ms. Fairhurst were excluded from voting on the Countervail Acquisition.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the Share Purchase Agreement, the Company did not enter into any agreement with an interest party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interest party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

Pursuant to MI 61-101, the Transaction was subject to the minority shareholder approval and the formal valuation requirements of MI 61-101. The Company had not received any valuations with respect to the Transaction and relied on the exemption from the valuation requirement set out in Section 5.5(b) of MI 61-101, due to the fact that that the Company was not listed on one of the specified markets. At the Company's annual and special shareholder meeting held on July 14, 2021, the Company received the approval of the disinterested shareholders to authorize the Transaction. Pursuant to the minority shareholder approval requirements of MI 61-101, the votes attached to Common Shares held by the insider were excluded from voting on the Transaction. Based on information provided to the Company, votes attaching to an aggregate of 7,925,000 Common Shares, representing approximately 23.97% of the issued and outstanding Common Shares, were excluded from voting on the Transaction. Pursuant to MI 61-101, the resolution approving the Transaction was approved by a simple majority of affirmative votes cast by the shareholders, other than votes attaching to common shares held by the insider.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Jon Gill, Director of the Company at (416) 361-1913.

9. **Date of Report**

This report is dated at Toronto, this 8<sup>th</sup> day of October, 2021.

**Cautionary Statement Regarding Forward-Looking Information**

*This material change report contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.*