



PLAYGROUND VENTURES ANNOUNCES DEBT SETTLEMENT AND ISSUANCE OF PROMISSORY NOTES

Toronto, Ontario – February 16, 2023 - Playground Ventures Inc. (the “**Company**” or “**Playground**”) (CSE:PLAY) is pleased to announce it has settled an aggregate of \$873,859.95 of indebtedness to certain creditors of the Company through the issuance of 17,477,199 common shares in the capital of the Company (the “**Common Shares**”) at a price of \$0.05 per Common Share (the “**Debt Settlement**”). The Common Shares issued pursuant to the debt settlement are subject to a four-month hold period and completion of the transaction remains subject to final acceptance of the Canadian Securities Exchange.

In addition, the Company announces that it has issued a secured promissory grid note (the “**Bridge Notes**”) to certain non-arm’s length lenders (the “**Lenders**”) of the Company for available proceeds to the Company of up to \$100,000. The Bridge Notes mature on April 17, 2023 (the “**Term**”), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default. In addition, further to the Company’s press release of August 26, 2022, the outstanding Bridge Notes issued on August 23, 2022 have been noted in default and now bear an interest of 15% per annum.

The Bridge Notes contains certain other customary financial and other covenants, and will be used for general working capital purposes. The Bridge Notes are intended to provide immediate capital to the Company while it seeks additional sources of capital, which may include the future issuance of other debt or equity securities, including, without limitation, a formal credit facility, whether with the Lenders or otherwise, to meet the Company’s long term capital needs.

The Debt Settlement and the Bridge Notes are constituted “related party transactions” as defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”), as certain insiders of the Company received an aggregate of 12,424,923 Common Shares and the Lenders are directors and officers of the Company. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(g) and 5.7(1)(e) of MI 61-101, as the Company is in financial difficulty and the transaction is designed to improve the financial position of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Debt Settlement and the Bridge Notes, which the Company deems reasonable.

The Bridge Notes and the Debt Settlement was approved by the members of the board of directors of the Company who are independent for the purposes of the Bridge Notes and the Debt Settlement, being all directors other than Mr. Jon Gill, Mr. Chris Irwin and Ms. Emma Fairhurst. No special committee was established in connection with the Bridge Notes or the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

For further information, please contact:

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Forward Looking Information

This news release 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.