

**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**

February 16, 2023

3. **News Release**

A press release disclosing the material change was released on February 16, 2023, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company 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**").

5. **Full Description of Material Change**

On February 16, 2023, the Company settled an aggregate of \$873,859.95 of indebtedness to certain creditors of the Company through the issuance of 17,477,199 Common Shares at a price of \$0.05 per Common Share.

In addition, the Company issued secured promissory grid notes (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 contain 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 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 Debt Settlement, 12,424,923 Common Shares were issued to insiders (the "**Insiders**") of the Company. In addition, the Bridge Notes were issued to non-arm's length Creditors.

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

As the Company is in financial difficulty and the Debt Settlement and the Bridge Notes were designed to improve the financial position of the Company.

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

As the Company is in financial difficulty and the Debt Settlement and the Bridge Notes were designed to improve the financial position of the Company.

(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 Debt Settlement, the following securities were issued to the Insiders of the Company:

Name	Position	Number of Common Shares	Aggregate Price
Aeternum Asset Advisors Inc. – a company beneficially owned and controlled by Emma Fairhurst	10% Security Holder and Director	460,000	\$23,000
Braxton Corporate Advisors Inc. - a company beneficially owned and controlled by Jon Gill	Director and Officer	4,538,073	\$226,903.65
Irwin Professional Corporation – a company beneficially owned and controlled by Chris Irwin	Director and Officer	6,000	\$300
Crest Resources Inc. – a company which Ms. Emma Fairhurst is a director and a control person of	10% Security Holder and Director	7,420,850	\$371,042.50

	TOTAL	12,424,923	\$621,246.15
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- (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 Debt Settlement, Ms. Fairhurst beneficially owned and controlled, directly or indirectly, 29,045,000 Common Shares, 6,025,000 Warrants and 750,000 stock options. Upon closing of the Debt Settlement, Ms. Fairhurst, beneficially owns and controls, directly or indirectly, an aggregate of 29,505,000 Common Shares, 6,025,000 Warrants and 750,000 stock options, representing approximately 36.77% of the issued and outstanding Common Shares on an undiluted and 41.69% on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Gill beneficially owned and controlled, directly or indirectly, 750,000 stock options. Upon closing of the Debt Settlement, Mr. Gill beneficially owns and controls, directly or indirectly, an aggregate of 4,538,073 Common Shares and 750,000 stock options, representing approximately 6.65% of the issued and outstanding Common Shares on an undiluted basis and 6.52% partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Irwin beneficially owned and controlled, directly or indirectly, 22,387 Common Shares and 350,000 stock options. Upon closing of the Debt Settlement, Mr. Irwin beneficially owns and controls, directly or indirectly, an aggregate of 22,687 Common Shares and 350,000 stock options, representing approximately 0.028% of the issued and outstanding Common Shares on an undiluted basis and 0.029% partially diluted basis.

Prior to the completion of the Debt Settlement, Crest Resources Inc. did not beneficially own or control any Common Shares. Upon closing of the Debt Settlement, Crest Resources Inc. beneficially owns and controls, directly or indirectly, an aggregate of 7,420,850 Common Shares, representing approximately 9.24% of the issued and outstanding Common Shares on an undiluted basis and 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:**

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.

- (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 debt settlement agreements entered into for the Debt Settlement and the Bridge Notes, the Company did not enter into any agreement with an interest party or a joint actor with an interested party in connection with the Debt Settlement or the Bridge Notes. 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 Debt Settlement or the Bridge Notes.

- (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:**

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.

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 Chris Irwin, President and Chief Executive Officer of the Company at (416) 361-2517.

9. **Date of Report**

This report is dated at Toronto, this 27th day of February, 2023.

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.