

Form 51-102F3

Material Change Report

Item 1 Name and Address of Issuer

Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) (the “**Issuer**”)
810 – 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2 Date of Material Change

October 14, 2021

Item 3 News Release

The news release was disseminated through Globe Newswire on October 14, 2021 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced the appointment of Mr. Patrick O’Flaherty to the Board of Directors of the Issuer. Mr. O’Flaherty is a qualified Chartered Accountant in Canada with Deloitte. He has over 15 years of experience in financial services, with a specific focus on accounting and wealth management, and has worked with some of the largest companies in Canada including Shaw Communications, RBC Royal Bank, and CIBC Wood Gundy. LG Labs also announced the resignation of Mr. Eugene Beukman from its Board of Directors. The Issuer thanks Mr. Beukman for his contributions and wishes him all the best in his future endeavours.

Additionally, LG Labs granted an aggregate of 6,000,000 incentive share purchase options to its directors, officer and consultants. Each share purchase option is exercisable for a period of five years at an exercise price of \$0.10 per common share of the Issuer. The options vest over a period of 18 months, in one-third tranches of equal size, after the passing of each successive six-month period.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the attached news release.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Dorian Banks, Chief Executive Officer
Business Telephone: 604-687-2038

Item 9 Date of Report

October 15, 2021



NEWS RELEASE

Looking Glass Labs' Sells NFT Offering for \$6.2 Million in 37 Minutes

The Company's House of Kibaa Studio Successfully Dropped 10,000 GenZeroes NFTs to Over 3,000 Unique Blockchain Wallets and Will Earn a 5% Royalty on All Re-Sales of GenZeroes in Perpetuity

Vancouver, British Columbia – October 14, 2021 / Globe Newswire / – Looking Glass Labs Ltd. (“LG Labs” or the “Company”), is pleased to announce that its flagship studio for non-fungible tokens (“NFTs”) *House of Kibaa* (“HoK”) recently conducted the successful sale (collectively, the “Drop”) of a class of NFTs known as *GenZeroes* (singularly, “*GenZero*”). In just 37 minutes, all 10,000 of HoK’s GenZeroes were sold and subsequently delivered to more than 3,000 unique blockchain wallets, for aggregate proceeds to LG Labs of approximately \$6,200,000.

Additionally, LG Labs is entitled to collect 5% of the gross amount of any and all GenZeroes re-sold in the secondary market in perpetuity, through a royalty provision encoded into each smart blockchain contract of all GenZeroes. As of October 13, 2021, approximately \$4,300,000 of GenZeroes have been re-sold in the secondary market, thereby earning the Company an additional \$215,000 in royalty revenue within weeks of GenZeroes initially being offered to the market. HoK is available on OpenSea – a leading global NFT marketplace – where GenZeroes are currently bought and sold.

GenZeroes is a new multi-media franchise and is being developed in collaboration with several artists with work experience that includes projects for both the StarWars and Marvel franchises. All 10,000 GenZeroes sold in the Drop were unique, three-dimensional avatars and each GenZero has varying attributes (e.g., colours, background graphics, body type and colour, etc.). Due to the range of body parts and variety of attributes available, no duplicate avatar was created and therefore all GenZeroes are rare and valuable.

In the near future, LG Labs intends to conduct a new Drop of NFTs representing land assets in the forthcoming HoK metaverse. More information about that Drop will be provided in due course. For more information about HoK and GenZeroes, please visit the following web pages: <https://houseofkibaa.com/> and <https://genzeroes.com>.

Management Commentary

Dorian Banks, Chief Executive Officer of LG Labs, said, “We are extremely pleased with the success of the GenZeroes Drop, which was completed in such a short amount of time. Having been involved in the blockchain industry since 2012, I have witnessed several crowd-sales experience prodigious success on account of highly engaged and enthusiastic supporters. I am very grateful for our talented and committed

team members, as well as for our ever-growing base of HoK supporters who are validating our business model as we build out the HoK metaverse with new and innovative NFTs.”

“In our Drop, the 10,000 GenZeroes proved so popular that countless aspiring HoK metaverse participants were unable to acquire a GenZero in the drop. Fortunately, the active re-sale market for GenZeroes has provided those people with the opportunity to become owners of GenZeroes. And thanks to blockchain technology, LG Labs is able to continue earning revenues in the form of 5% royalties from the sale of all GenZeroes in the secondary market, which is simply amazing,” added Mr. Banks.

Corporate Update

The Company is pleased to announce the appointment of Mr. Patrick O’Flaherty to the Board of Directors of the Company. Mr. O’Flaherty is a qualified Chartered Accountant in Canada with Deloitte. He has over 15 years of experience in financial services, with a specific focus on accounting and wealth management, and has worked with some of the largest companies in Canada including Shaw Communications, RBC Royal Bank, and CIBC Wood Gundy. LG Labs also announces the resignation of Mr. Eugene Beukman from its Board of Directors. The Company thanks Mr. Beukman for his contributions and wishes him all the best in his future endeavours.

Additionally, LG Labs has granted an aggregate of 6,000,000 incentive share purchase options to its directors, officer and consultants. Each share purchase option is exercisable for a period of five years at an exercise price of \$0.10 per common share of the Company. The options vest over a period of 18 months, in one-third tranches of equal size, after the passing of each successive six-month period.

ABOUT LOOKING GLASS LABS

Based in Vancouver, British Columbia, Looking Glass Labs is a digital agency specializing in non-fungible token (“**NFT**”) architecture, immersive extended reality (“**XR**”) metaverse design and virtual asset royalty streams. Its leading brand, House of Kibaa (“**HoK**”), is a digital studio at the forefront of technologies in the blockchain, NFT and XR metaverse sectors. HoK designs and curates a next generation metaverse for 3D assets, which provides utilities and platform tools that enable users to showcase their individual style and NFT collections within a proprietary metaverse.

On behalf of:

LOOKING GLASS LABS LTD.

“Dorian Banks”

Dorian Banks, Chief Executive Officer

For further information, please contact:

Dorian Banks

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Email: info@lgl.co

Forward-Looking Information

This news release contains “forward-looking statements.” Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things: the Company's goal to become the leading digital studio specializing in NFT architecture, immersive metaverse

design and virtual asset display monetization streams; and to build out a portfolio of perpetual NFT royalty streams through collaborations, accretive acquisitions and other arrangements, to potentially result in consistent, de-risked and passive revenue.

The material assumptions supporting these forward-looking statements include, among others, that: the Company could mitigate the risks associated with the blockchain and NFT industry; and the ability to compete with other businesses in the NFT market.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the continued growth and adoption of NFT and metaverse offerings by consumers; the cost of developing and designing NFTs and metaverses is economically viable; the Company being able to attract and retain a sufficient workforce with desired skillsets to develop the Company's NFT and metaverse offerings; the availability of offerings provided by third-parties in the NFT, metaverse development and online gaming market to identify potential transactions; the increasing adoption of NFTs as a solution for various online gaming, entertainment and collectible uses; the Company having the ability to mitigate the risks associated with the blockchain and NFT industry; and the ability to compete with other businesses in the NFT, metaverse development, content creation and collectibles market.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the risk that the Company's offerings are not accepted by the consumer, the risk that other competitors may offer similar digital offerings; the risk that there may be negative changes in general economic and business conditions; the risk that the Company may have negative operating cash flow and not enough capital to complete the development of any of its technologies; the risk that the Company may not be able to obtain additional financing as necessary; the risk that there may be increases in capital and operating costs; the risk that the NFT technology may be subject to fraud and other failures; the risk that there may be technological changes and developments in the blockchain that make the NFT solutions obsolete; risks relating to regulatory changes or actions which may impede the development or operation of the blockchain solutions; the risk that other competitors may release similar blockchain offerings; the potential future unviability of the NFT market in general; the volatile cost of the amount of computational effort required to execute specific operations on the blockchain, and other general risks involved in the blockchain solutions.

Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure materials, including its reports filed with the Canadian securities regulators and which can be obtained from www.sedar.com.

Any of these risks may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although the Company has attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by applicable law, including the securities laws of the United States and Canada. Although the Company believes that any beliefs, plans, expectations and intentions contained in this news release are reasonable, there can be no assurance that any such beliefs,

plans, expectations or intentions will prove to be accurate. The Company does not assume any liability for disclosure relating to any other company mentioned herein.