

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

September 30, 2021

Item 3 News Release

The news release was disseminated through Globe Newswire on September 15, 2021 September 30, 2021 and October 7, 2021 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced that it has closed the acquisition of 100 percent of the issued and outstanding securities of HOK Technologies Inc. d/b/a House of Kibaa effective on September 30, 2021.

The Issuer also announced that it has changed its name to Looking Glass Labs Ltd. effective October 8, 2021.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Issuer entered into a definitive share exchange agreement, effective September 29, 2021 (“the **Agreement**”), pursuant to which it acquired 100% of the issued and outstanding shares of HOK Technologies Inc. d/b/a House of Kibaa (“**HOK**”) (the “**HOK Shares**”), which acquisition closed on September 30, 2021 (the “**Acquisition**”).

As consideration and in exchange for the HOK Shares, an aggregate of 45,000,000 common shares of the Issuer were issued to the existing shareholders of HOK (the “**Consideration Shares**”), with a deemed value of \$0.10 per Consideration Share. The Consideration Shares issued to the principal of HOK will be subject to the applicable escrow provisions pursuant to National Instrument 46-201. The Vendors are eligible to earn additional Consideration Shares (the “**Earn-Out Shares**”) upon realization of certain revenue-related milestones achieved by HOK for the years ending December 31, 2021 and December 31, 2022. If these revenue milestones are achieved, the number of Earn-Out Shares will be determined in accordance with the market value of the Company's common shares at such time, and will be subject to the statutory four month and one day hold period. In connection with the acquisition

of HOK, the Issuer has also agreed to issue an aggregate of 200,000 common shares at a deemed price of \$0.10 per share to extinguish certain of HOK's outstanding accounts payable. The common shares to be issued to satisfy certain trade debt are subject to a four month and one day hold period.

The Issuer paid a finder's fee of 2,250,000 common shares in the capital of the Issuer at a deemed price of \$0.10 per share to a third party in connection with the closing of the Acquisition.

The Acquisition is more fully described in the press releases of the Issuer dated September 15, 2021, September 30, 2021 and October 7, 2021 filed on SEDAR at www.sedar.com under the Company's SEDAR profile, and attached hereto.

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

December 14, 2021

NEWS RELEASE

BluKnight Aquafarms and HOK Technologies Inc. Enter into a Letter of Intent for a Proposed Acquisition, Financing Close and Board Changes

September 15, 2021 - Vancouver, British Columbia, Canada: BluKnight Aquafarms Inc. (the “**Company**” or “**BluKnight**”), is pleased to announce that it has entered into a Binding Letter of Intent (the “**LOI**”) to complete an acquisition by BluKnight of all the issued and outstanding securities of HOK Technologies Inc. d/b/a House of Kibaa (“**HOK**”). HOK specializes in the creation of exclusive non-fungible tokens (NFTs) for extended reality (XR). The HOK studio enables users to express their own individual styles within the blockchain via an array of utilities throughout the metaverse. Additional information regarding HOK can be found via its corporate website: <https://houseofkibaa.com/>, as well as on HOK’s various social media platforms.

The Parties anticipate entering into a definitive share exchange agreement (the “**Definitive Agreement**”) by the end of October 2021. The Acquisition is expected to be completed by way of a share exchange resulting in HOK becoming a wholly-owned subsidiary of BluKnight, following which the Company will continue the business of HOK. The consideration consists of the holders of HOK common shares receiving 35,000,000 BluKnight common shares at a deemed price of \$0.10.

The Company may pay a finder’s fee to certain qualified third parties in connection with the Acquisition.

Separately, the Company also announces it has closed a non-brokered private placement of 7,500,000 units (the “**Units**”) of the Company issued at a price of \$0.02 per Unit for gross proceeds of \$150,000 (the “**Offering**”). Each Unit is comprised of one common share (each a “**Share**”) and one share purchase warrant, each a “**Warrant**”). Each Warrant entitles the holder to purchase one Warrant share for a period of 5 years at an exercise price of \$0.10 per share.

All securities issued pursuant to the Offering will be subject to a hold period that will expire on January 16, 2022.

Proceeds from the Offering will be used for general working capital.

The Company is also pleased to announce the appointment of Adam Deffett to the Board of Directors. Mr. Deffett is a senior capital markets professional with over 15 years of experience in the Canadian equity markets. Adam began his career at RBC Capital Markets and has held senior positions in both sales and trading at various Canadian banks and independent dealers, most recently as Managing Director and Head of Institutional Sales at Laurentian Bank. He has extensive experience in capital raising, shareholder communication, M&A and capital markets strategy. More recently, Mr. Deffett has been working as a corporate executive and currently holds the position of Interim CEO of Ketamine One. Mr. Deffett graduated with a Bachelors of Commerce from the University of Calgary and is a CFA Charterholder.

BluKnight
Aquafarms
Inc.

On behalf of:

BLUKNIGHT AQUAFARMS INC.

“Dorian Banks”

Dorian Banks

Chief Executive Officer

For further information, please contact:

Dorian Banks

Tel: 604-687-2038

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

NEWS RELEASE

BluKnight Aquafarms Signs Definitive Agreement to Acquire HOK Technologies; Closes Financing

September 30, 2021 - Vancouver, British Columbia, Canada: BluKnight Aquafarms Inc. (the “**Company**” or “**BluKnight**”), is pleased to announce that further to its new release dated September 15, 2021, the Company has executed a definitive share exchange agreement (the “**Definitive Agreement**”) (the “**Agreement**”) to acquire 100 per-cent of the issued and outstanding securities of HOK Technologies Inc. d/b/a House of Kibaa (“**HOK**”) in consideration for 45,000,000 BluKnight shares (each a “**Consideration Share**”) at a deemed price of \$0.10 per share payable to the existing shareholders of HOK (the “**Vendors**”), subject to certain closing conditions. The Consideration Shares issued to the principal of HOK will be subject to the applicable escrow provisions pursuant to National Instrument 46-201. The Vendors are eligible to earn additional Consideration Shares (the “**Earn-Out Shares**”) upon realization of certain revenue-related milestones achieved by HOK for the years ending December 31, 2021 and December 31, 2022. If these revenue milestones are achieved, the number of Earn-Out Shares will be determined in accordance with the market value of the Company's common shares at such time, and will be subject to the statutory four month and one day hold period. In connection with the acquisition of HOK, the Company has also agreed to issue an aggregate of 200,000 common shares at a deemed price of \$0.10 per share to extinguish certain of HOK's outstanding accounts payable. The common shares to be issued to satisfy certain trade debt are subject to a four month and one day hold period.

HOK specializes in the creation of exclusive non-fungible tokens (NFTs) for extended reality (XR)¹. The HOK studio enables users to express their own individual styles within the blockchain via an array of utilities throughout the metaverse². Additional information regarding HOK can be found via its corporate website: <https://houseofkibaa.com/>, as well as on HOK’s various social media platforms.

The Company paid a finder’s fee of 2,250,000 common shares in the capital of BluKnight at a deemed price of \$0.10 per share to certain qualified third parties in connection with the closing of the Acquisition.

Separately, the Company also announces it has closed a non-brokered private placement of 11,600,000 common share of the Company issued at a price of \$0.10 per common share for gross proceeds of \$1,160,000 (the “**Offering**”).

All securities issued pursuant to the Offering will be subject to a hold period that will expire on January 30, 2022. Proceeds from the Offering will be used for general working capital.

¹ Extended Reality, or XR, refers to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. XR brings Augmented Reality (AR), Virtual Reality (VR), and Mixed Reality (MR) under one umbrella term.

² The term “metaverse” is an evolving concept but can be loosely defined as “a virtual-reality space in which users can interact with a computer-generated environment and other users”.

BluKnight
Aquafarms
Inc.

On behalf of:

BLUKNIGHT AQUAFARMS INC.

“Dorian Banks”

Dorian Banks

Chief Executive Officer

For further information, please contact:

Dorian Banks

Tel: 604-687-2038

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NEWS RELEASE

BluKnight Aquafarms Closes Acquisition of HOK Technologies and Changes Name to Looking Glass Labs Ltd.

Vancouver, British Columbia – October 7, 2021 / Globe Newswire / – **BluKnight Aquafarms Inc.** (“**BluKnight**” or the “**Company**”), is pleased to announce that, effective October 8th, 2021, it will change its name to Looking Glass Labs Ltd. (“**LGL**” or “**LG Labs**”) in order to better reflect its forward-looking business pursuits, including the closing of its previously announced acquisition of 100 percent of the issued and outstanding securities of HOK Technologies Inc. d/b/a House of Kibaa (“**HoK**”) effective on September 30, 2021.

LGL’s goal is to be the leading digital studio specializing in NFT architecture, immersive metaverse design and virtual asset display monetization streams. Through collaborations, accretive acquisitions and other arrangements, LGL will look to build out a portfolio of perpetual NFT royalty streams, potentially resulting in consistent, de-risked and passive revenue.

LGL’s leading subsidiary is Vancouver-based HoK, which specializes in the creation of exclusive non-fungible tokens (“**NFT**”) for extended reality (“**XR**”)¹. HoK is a digital studio at the forefront of technologies in the blockchain, NFT and metaverse sectors, that designs and curates a next generation metaverse for 3D assets, thereby allowing functional art and collectibles to exist simultaneously across different NFT blockchain environments. In May of 2021, HoK debuted its Genesis Membership that allows holders to purchase one NFT and receive a lifetime of digital assets airdropped to them monthly. Initially minted Genesis Memberships were sold by HoK for US\$500 each, generating circa US\$490,000 in proceeds over a four-week period. As of September 30, 2021, an HoK Genesis Membership re-sold on the secondary market for US\$9,814.21, which equates to a price appreciation of over 1860% in five months.

Management Commentary

“I am proud to premier Looking Glass Labs, alongside the closing of our acquisition of House of Kibaa. In a highly competitive environment and with a small execution window, House of Kibaa has evidenced itself as a top-tier NFT design agency and leading metaverse developer- further crystalized by its enormously successful public drop of its GenZero collection. The team at HoK, coupled with our deep ties and strategic relationships within the community give our future NFT royalty partners access to a mature and captive community coupled with the upshot of the next generation of metaverse integration,” commented Dorian Banks, CEO of Looking Glass Labs.

Separately, the Company also announces it has closed a non-brokered private placement of 2,000,000 common shares of the Company issued at a price of \$0.10 per common share for gross proceeds of \$200,000 (the “**Offering**”). All securities issued pursuant to the Offering will be subject to a hold period that will expire on February 8, 2022. Proceeds from the Offering will be used for general working capital.

¹ Extended Reality, or XR, refers to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables. XR brings Augmented Reality (AR), Virtual Reality (VR), and Mixed Reality (MR) under one umbrella term.

On behalf of:

BLUKNIGHT AQUAFARMS INC.

“Dorian Banks”

Dorian Banks, Chief Executive Officer

For further information, please contact:

Dorian Banks

Tel: 604-687-2038

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.