LOOKING GLASS LABS LTD.
(FORMERLY BLUKNIGHT AQUAFARMS INC.)

LISTING STATEMENT

February 1, 2022

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(FORMERLY BLUKNIGHT AQUAFARMS INC.)
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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Listing Statement. This is not an exhaustive list of defined terms used in this Listing Statement and additional terms are defined throughout. Terms and abbreviations used in the financial statements and MD&A of LG Labs and HOK, and the pro forma consolidated financial statements of the Resulting Issuer attached as schedules to this Listing Statement are defined separately in such schedules, and the terms and abbreviations defined below are not used, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**Affiliate**" has the meaning ascribed to such term under Section 2(1) of the BCBCA;

"**Applicable Securities Laws**" means all securities and corporate laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies that are applicable to the Resulting Issuer;

"**Associate**" has the meaning ascribed to such term under Section 192(1) of the BCBCA;

"**Annual Financial Statements**" means the audited annual financial statements of the Company for the fiscal years ended July 31, 2021 and 2020 respectively, and includes the statements of financial position, statements of comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended. The Annual Financial Statements previously filed with applicable securities commissions are available on the Company's SEDAR profile at www.sedar.com and are incorporated into this Listing Statement;

"**Annual MD&A**" means the management's discussion and analysis of the Company for the fiscal years ended July 31, 2021 and 2020, respectively. The Annual MD&A previously filed with applicable securities commissions are available on the Company's SEDAR profile at www.sedar.com and are incorporated into this Listing Statement;

"**Audit Committee**" means the audit committee of the Resulting Issuer;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCSC**" means the British Columbia Securities Commission;

"**Board of Directors**" means the board of directors of Resulting Issuer;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**Closing**" means the completion of the Transaction;

"**Common Shares**" means the common shares in capital of the Resulting Issuer;

"**Company**" or "**LG Labs**" means Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.);

"**Concurrent Financing**" means the:

- non-brokered private placement of the Company completed on November 10, 2021 consisting of 5,000,000 Units at a price of $0.50 per Unit, for gross proceeds of $2,500,000. Each Unit consists of one Common Share and one Warrant of the Company. Each Warrant will entitle the holder thereof to purchase one additional Common Share a price of $1.25 per common share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of $15,900 cash commission, 31,800 Warrants and 145,950 Common Shares to arm's-length finders. Each finder's Warrant is exercisable into one Common Share at a price of $1.25 per Common Share for a period of five years.

"**Consideration Shares**" has the meaning ascribed to such term under the heading "*Summary of Listing Statement – Transaction*";

"**Definitive Agreement**" means the definitive share exchange agreement dated September 29, 2021 among HOK and LG Labs, as further described in "Information Concerning HOK – Description of the Transaction";

"**Earn-Out Shares**" has the meaning ascribed to such term under the heading "*Summary of Listing Statement – Transaction*;

"**Endeavor**" means Endeavor Trust Corporation;

"**Escrow Agreement**" means the escrow agreement among LG Labs, Endeavor Trust Corporation and the Escrowed Shareholders dated December 16, 2021;

"**Escrowed Shareholders**" means the Shareholders who are parties to the Escrow Agreement;

"**forward-looking statements**" has the meaning ascribed to such term under the heading *"Cautionary Statement on Forward Looking Statements"*;

"**HOK"** means HOK Technologies Inc. d/b/a House of Kibaa;

"**HOK Board**" means the board of directors of HOK;

"**HOK Products and Services**" has the meaning described at page 26 of this Listing Statement;

"**HOK Shares**" means the common shares in the capital of HOK;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Listing Statement**" means this listing statement including the schedules attached hereto;

“**Material Adverse Effect**” has the meaning ascribed to such term in the section entitled “*Risk Factors*”;

“**MD&A**” means management’s discussion and analysis;

“**NEO Exchange**” means the Neo Exchange Inc.;

“**NEOs**” means (i) each CEO (including an individual who served in a similar capacity during the most recently completed financial year), (ii) each CFO (including an individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer of the Resulting Issuer and its subsidiaries (other than the individuals identified in (i) and (ii) above) who was serving as an executive officer at the end of the most recently completed fiscal year whose total compensation was more than $150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was not an executive officer of the Resulting Issuer and was not acting in a similar capacity, at the end of that financial year;

“**NFT**” means non-fungible token;

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*;

“**Option Plan**” means the 20% rolling stock option plan of the Resulting Issuer;

"**Options**" means incentive stock options to purchase shares of the Resulting Issuer;

“**Person**” means a company or individual;

“**Pro Forma Financial Statements**” means the unaudited pro forma consolidated financial statements for the Resulting Issuer as at October 31, 2021, prepared to give effect to the Concurrent Financing as if it had taken place as of October 31, 2021, which are attached as Schedule “G” to this Listing Statement;

“**Promoter**” means, (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a "Promoter" if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

“**Resulting Issuer**” means Looking Glass Labs Ltd. following the Closing;

“**RSU Plan**” means the restricted share unit plan of the Resulting Issuer;

“**RSUs**” means the restricted share units of the Resulting Issuer;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Shareholders**” means the holders of the Common Shares;

“**Subsidiaries**” means the direct and indirect subsidiaries of the Resulting Issuer.

“**Transaction**” means, collectively, the Definitive Agreement, and all transactions contemplated by the Definitive Agreement, including without limitation, the acquisition by the Company of all issue and outstanding shares of HOK;

“**Units**” means the Units issued under the private placements of the Company as the context requires;

“**Vendors**” has the meaning ascribed to such term under the heading “*Summary of Listing Statement – Transaction”;*

"**Warrants**" means warrants to purchase Common Shares.

GENERAL MATTERS

Date of Information

In this Listing Statement, unless the context otherwise requires, the “Company” or “LG Labs” refers to Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.).

Unless otherwise indicated, the information in this Listing Statement is given as of the date hereof.

Currency

Unless otherwise indicated, in this Listing Statement all references to "$" are to Canadian dollars and to "USD$" are to U.S. dollars.

Cautionary Statement on Forward Looking Statements

The information provided in this Listing Statement, including schedules and information incorporated by reference, may contain “forward-looking statements” about the Resulting Issuer. In addition, the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Resulting Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Resulting Issuer that address activities, events or developments that the Resulting Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Although the Resulting Issuer believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under “Description of Business”.

Specific forward-looking information contained in this Listing Statement include, among others, statements, management’s beliefs, expectations or intentions regarding the following:

- listing on the NEO Exchange;
- timelines;
- the business and operations of the Resulting Issuer;
- the business, operations, strategies and expectations of the Resulting Issuer;
- the Resulting Issuer’s business objectives and discussion of trends affecting the business of the Resulting Issuer;
- the funds available to the Resulting Issuer and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Resulting Issuer;
- capital, operating and general expenditures;

- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Resulting Issuer from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Resulting Issuer.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Resulting Issuer to be materially different from those expressed or implied by such forward-looking statements. Although the Resulting Issuer has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Resulting Issuer's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of the Resulting Issuer and its Subsidiaries;
- the historical lack of profitability of the Resulting Issuer;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Resulting Issuer has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Resulting Issuer;
- the Resulting Issuer’s operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;

- the requirements of being a public-traded company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- the Resulting Issuer's business is reliant on blockchain technology;
- the continuing development and acceptance of NFTs and blockchain technology are subject to a variety of risks;
- regulatory changes or actions may alter the nature of an investment in the Resulting Issuer or restrict the use of NFTs in a manner that adversely affects the Resulting Issuer's operations;
- an NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Resulting Issuer is unable to properly characterize an NFT, the Resulting Issuer may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Resulting Issuer's business, operating results, and financial condition;
- blockchain transactions are irrevocable and losses may occur;
- the Resulting Issuer's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- the Resulting Issuer's business is exposed to the potential misuse of NFTs and malicious actors;
- the business of the Resulting Issuer will be exposed to cybersecurity risks;
- digital wallets may be hacked;
- uninsured or uninsurable risks;
- a decline in the adoption and use of NFTs could materially and adversely affect the performance of the Resulting Issuer;
- the demand and prices of NFTs are extraordinarily volatile;
- political or economic crises may motivate large-scale sales of NFTs, which would result in a reduction in values and materially and adversely affect the Resulting Issuer;
- market adoption of NFTs and blockchain technology has been limited to date and further adoption is uncertain;
- the Resulting Issuer will have to adapt to respond to evolving security risks;
- the Resulting Issuer may be unable to obtain adequate insurance to insure its operations;
- intellectual property rights claims may adversely affect the operation of the Resulting Issuer's business;
- all active and liquid trading markets in the Resulting Issuer's common shares may fail to develop;
- the Resulting Issuer's compliance and risk management programs may not be effective;
- unexpected market disruptions may cause major losses for the Resulting Issuer;
- foreign exchange risk;
- the Resulting Issuer will depend on its senior management and directors to source suitable investment opportunities for the Resulting Issuer;
- managing different business lines could present conflicts of interest;
- operational risk may materially and adversely affect the Resulting Issuer's performance and results;
- the Resulting Issuer may not be effective in mitigating risk;
- the ongoing COVID-19 pandemic may have an adverse effect on the business of the Resulting Issuer;

- force majeure events may materially and adversely affect the business continuity of the Resulting Issuer;
- the Resulting Issuer will be reliant, in part, on attracting and retaining skilled management and directors;
- situations may arise where the directors and/or officers of the Resulting Issuer may be in competition with the Resulting Issuer and may have interests that conflict with, or differ from, the Resulting Issuer's interests;
- the Resulting Issuer may be subject to litigation; and
- the other factors discussed under the heading "*Risk Factors*".

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Resulting Issuer or the companies in which it is invested, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Listing Statement are based upon what management of Resulting Issuer currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Listing Statement and, other than as specifically required by law, Resulting Issuer does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Resulting Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Resulting Issuer's actual results achieved could vary from the information provided in this Listing Statement, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Resulting Issuer that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this Listing Statement are made as of the date of this Listing Statement, and the Resulting Issuer does not undertake any obligation, except as required by Applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Listing Statement are expressly qualified by this cautionary statement.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this Listing Statement may be based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from government or other third-party sources referred to in this Listing Statement or ascertained the underlying assumptions relied upon by such sources.

SUMMARY OF LISTING STATEMENT

The following is a summary of information relating to LG Labs, HOK and the Resulting Issuer and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this Listing Statement.

This summary is provided for convenience only and is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Listing Statement, including its schedules. Terms with initial capital letters in this summary are defined in "Glossary of Terms" unless otherwise indicated.

Looking Glass Labs Ltd.

The Company was incorporated under the BCBCA under the name 1040426 B.C. Ltd. on June 19, 2015 under the laws of the province of British Columbia, Canada. The Company changed its name to BluKnight Aquafarms Inc. on July 12, 2017. On October 8, 2021, the Company changed its name to Looking Glass Labs Ltd. The Company's common shares are currently not listed for trading on any stock exchange.

The Company's head office and registered and records office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is a reporting issuer in each of British Columbia and Alberta.

See "*Information Concerning LG Labs*".

HOK Technologies Inc.

HOK was incorporated under the BCBCA under the name of West Peak Accessories Inc. on December, 31, 2019 under the laws of the province of British Columbia, Canada. HOK changed its name to HOK Technologies Inc. on June 28, 2021. HOK has been established to create one of a kind digital artwork and digital assets in the form of non-fungible tokens (NFTs), an ecosystem for 3D assets, and allowing functional art to exist simultaneously across different NFT blockchain environments.

The registered and records offices of HOK are located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The head office is located at 8033 Saba Rd., Richmond, BC V6Y 4M8.

See "*Information Concerning HOK*".

Transaction

On September 29, 2021, the Company executed the Definitive Agreement to acquire 100 per-cent of the issued and outstanding securities of HOK in consideration for 45,000,000 Common Shares (each a "**Consideration Share**") at a deemed price of $0.10 per Consideration Share payable to the existing shareholders of HOK (the "**Vendors**"), subject to certain closing conditions. The Consideration Shares are subject to the applicable escrow provisions pursuant to NP 46-201. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".

The Transaction closed on September 30, 2021. The Company paid a finder's fee of 2,250,000 Common Shares at a deemed price of $0.10 per Common Share to certain qualified third parties in connection with the closing of the Transaction. The finder's fee Common Shares are also subject to the applicable escrow provisions pursuant to NP 46-201.

The Vendors are eligible to earn additional Consideration Shares (the "**Earn-Out Shares**") cash bonus upon achievement of certain revenue-related milestones achieved by HOK for the calendar 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 Resulting Issuer's Common Shares at such time, and will be subject to a statutory four month and one day hold period. The issuance of Earn-Out Shares, if applicable, remain subject to any exchange approval at such time prior to the issuance.

On September 29, 2021, in connection with the acquisition of HOK, the Company agreed to issue an aggregate of 200,000 Common Shares at a deemed price of $0.10 per Common Share to extinguish certain outstanding accounts payable held by HOK. The Common Shares were issued to satisfy certain trade debt and are subject to the applicable escrow provisions pursuant to NP 46-201.

On September 30th, 2021, HOK sold a collection of 10,000 NFTs under the name GenZeroes, that were designed to provide the holders thereof, access to a new multi-media franchise. The entire sale of the collection was launched and completed in less than 45 minutes and realized more $6.2M in gross sales. As a result of the successful sale, earning gross proceeds of $6.2M, the Vendors were eligible for an earn-out payment consisting of $750,000 and $2,000,000 of Earn-Out Shares. The $750,000 cash earn-out payment has been paid by the Company to the Vendors. The $2,000,000 Earn-Out Shares will be issued after the Common Shares are listed on a stock exchange at a deemed value per Earn-Out Share equal to the 10-day VWAP at such time of issuance.

Arm’s Length Transactions

The Definitive Agreement is an arm’s length transaction.

Estimated Funds Available

The following table sets out information regarding the Resulting Issuer’s sources of cash following the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to the Resulting Issuer as of the date of this Listing Statement:

Source of Funds	Estimated Amount
Estimated Resulting Issuer working capital as at October 31, 2021 (1)(2)	$6,647,750
Gross proceeds of the Concurrent Financing	$2,500,000
Total Estimated Working Capital Available	$9,147,750

1. Current assets less current liabilities as per the Company's October 31, 2021 financial statements.
2. Adjusted for non-cash working capital items. $2,000,000 of the contingent consideration consists of the issuance of Resulting Issuer common shares.

See “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

Principal Use of Funds for the Next 18 Months

Use of Funds	Estimated Amount
Estimated Transaction costs	$300,000(1)
Strategic Investment / Partnerships	$1,000,000(2)
Technological development	$2,250,000(3)
Launch of HOK "Origins" Metaverse	$1,000,000(4)
General and administrative expenses	$250,000
Salaries & Benefits	$1,500,000
Rent and IT Expenses	$300,000
Legal & Compliance, Insurance, Accounting & Audit Fees	$450,000
Marketing, Public and Investor Relations	$1,000,000(5)
Earn-Out Payments	$750,000(6)
Unallocated	$347,750(7)
Total	**$9,147,750**

(1) Includes legal fees, auditor review fees, NEO filing fees, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.
(2) Allocated for strategic acquisition of high-value assets to complement present business lines
(3) Allocated for accelerated technical development of domain and platform properties already owned. See Milestones Section for further detail.
(4) Allocated for targeted development in community-building initiatives and incentives for a growing user base (estimated). See Milestones Section for further detail.
(5) Of the $1 million allocation, $600,000 is allocated to marketing of the Resulting Issuer's offerings that include its GenZeroes NFT collection and "Origins" metaverse to consumers; NFT development services to third-party clients; and increasing awareness of the NFT industry to the general public. The remaining $400,000 is allocated to investor relations activities, which is conducted in accordance with the Resulting Issuer's Investor Relations Strategy effective as of October 1, 2021. The Investor Relations Strategy is a framework for management and third-party service providers to ensure compliance and governance in relation to investor relations programs.
(6) $750,000 cash portion of earn out payments have been made to the former shareholders of HOK, as HOK achieved greater than the $3,000,000 revenue milestone for the year ending December 31, 2021 pursuant to the Definitive Agreement by realizing gross sales of $6,200,000 on September 30, 2021 for the sale of the GenZeroes Avatar sale (See "*Information Concerning HOK – General Development of the Business – Three Year History*".
(7) For additional allocation to any expense and/or investment laid out above which merits additional capital.

There may be circumstances where for sound business reasons, a reallocation of funds may be necessary. For additional information regarding the funds available to the Resulting Issuer and the proposed uses of those funds, see "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro-Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at October 31, 2021 giving effect to the Concurrent Financing as if it had taken place as of October 31, 2021. The information should be read in conjunction with the Pro Forma Financial Statements, which are attached as Schedule “E”:

	Pro Forma Financial Statements as at October 31, 2021 (unaudited)
Current assets	9,387,714
Total assets	19,683,771
Current liabilities	2,255,864
Total liabilities	5,255,864
Shareholders’ equity	14,427,907

See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*”.

Conflicts of Interest

Directors or officers of the Company or HOK may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in digital assets and distributed ledger technology, other businesses similar to that undertaken by the Resulting Issuer, or other blockchain businesses.

Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible business opportunities or generally when acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the best interest of the Resulting Issuer, and to disclose such conflicts to the Resulting Issuer if and when they arise.

Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA, the NEO Exchange and Applicable Securities Laws. As of the date of this Listing Statement, to the best of its knowledge, neither Looking Glass nor HOK is aware of the existence of any conflicts of interest between it and any of its respective directors or officers. See “*Information Concerning the Resulting Issuer – Conflicts of Interest*”.

INFORMATION CONCERING LG LABS

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the BCBCA under the name 1040426 B.C. Ltd. on June 19, 2015. The Company changed its name to BluKnight Aquafarms Inc. on July 12, 2017. On October 8, 2021, the Company changed its name to Looking Glass Labs Ltd. The Company's common shares are currently not listed for trading on any stock exchange.

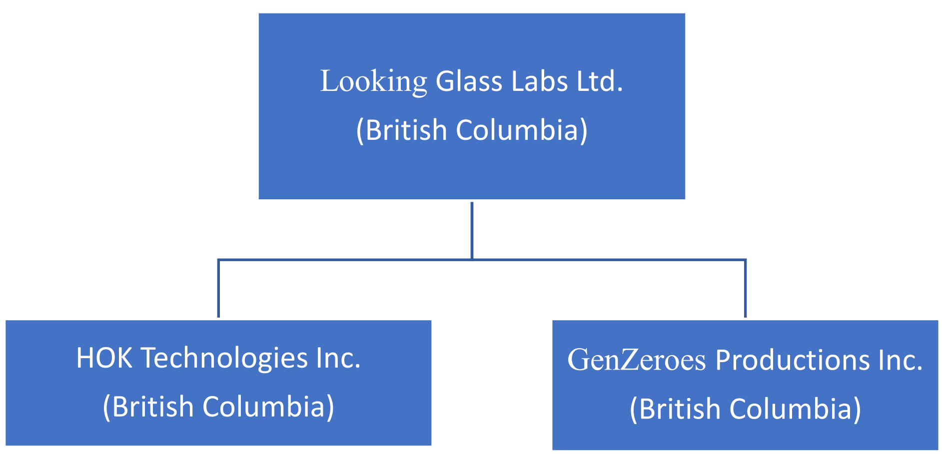
The Company's head office and registered and records office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is a reporting issuer in each of British Columbia and Alberta.

Intercorporate Relationships

Immediately following the Closing, the Company had one wholly-owned subsidiary, HOK Technologies Inc. On November 18, 2021, the Company incorporated a wholly-owned subsidiary, GenZeroes Productions Inc. (the "**Production Subsidiary**") to produce the Company's future projects related to fields of performing arts, new media art, interactive arts, video games, websites, and video. As at the date of this Listing Statement, the Production Subsidiary is inactive.

The following chart illustrates the Company's corporate structure as at the date of this Listing Statement, together with the jurisdiction of incorporation of each of the Company's wholly-owned subsidiaries.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The development of the Company’s business over the preceding three completed financial years and for the period since July 31, 2021, is described below. For more information, please refer to the Company’s publicly available disclosure information found under the Company’s profile on SEDAR.

During the fiscal years ended July 31, 2021, 2020, and 2019, the Company was seeking for accretive investments or acquisitions.

On August 30, 2021, the Company announced the appointment of Dorian Banks as CEO and Francis Rowe as CFO and Corporate Secretary of the Company. Mr. Gregory Baron resigned as a director and as the CEO of the Company and Ms. Jessica Ross resigned as the CFO of the Company.

On September 14, 2021, the Company announced that it had entered into a letter of intent for the acquisition of all of the issued and outstanding shares of HOK, which specializes in the creation of exclusive NFTs for extended reality.

On September 29, 2021, the Company executed the Definitive Agreement to acquire 100% of the issued and outstanding securities of HOK in consideration for 45,000,000 Consideration Shares at a deemed price of $0.10 per Consideration Share payable to the Vendors, subject to certain closing conditions. The Consideration Shares issued to the principal of HOK is subject to the applicable escrow provisions pursuant to NP 46-201. The Vendors are eligible to earn 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 also agreed to issue an aggregate of 200,000 Common Shares at a deemed price of $0.10 per Common 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 Company paid a finder’s fee of 2,250,000 Common Shares at a deemed price of $0.10 per Common Share to certain qualified third parties in connection with the closing of the Transaction.

On September 30th, 2021, HOK sold a collection of 10,000 NFTs under the name GenZeroes, that were designed to provide the holders thereof, access to a new multi-media franchise. The entire sale of the collection was launched and completed in less than 45 minutes and realized more $6.2M in gross sales. As a result of the successful sale, earning gross proceeds of $6.2M, the Vendors were eligible for an earn-out payment consisting of $750,000 and $2,000,000 of Earn-Out Shares. The $750,000 cash earn-out payment has been paid by the Company to the Vendors. The $2,000,000 Earn-Out Shares will be issued after the Common Shares are listed on a stock exchange at a deemed value per Earn-Out Share equal to the 10-day VWAP at such time of issuance.

On October 7, 2021, the Company changed its name to Looking Glass Labs Ltd. in order to better reflect its forward-looking business pursuits, including the closing of the Transaction.

On October 14, 2021, the Company appointed Mr. Patrick O'Flaherty to the Board of Directors of the Company following the resignation of Mr. Eugene Beukman from its Board of Directors. Additionally, LG Labs granted an aggregate of 6,000,000 Options to its directors, officers and consultants. Each Option is exercisable for a period of five years at an exercise price of $0.10 per Common Share. 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.

On October 25, 2021, the Company appointed. Carl Chow to the Board of Directors of the Company. Mr. Chow served on the board of directors for a Singapore domiciled company, Interact Investments Inc., from 2010 to 2015 and held a position as an Investor Relations senior manager for NewAge Financing Limited, from 2006 until 2009. His role and responsibilities were composed of liaising with start-up companies and locating strategic Venture Capital funding. Mr. Chow completed a diploma in Financial Management from the British Columbia Institution of Technology. LG Labs also announces the resignation of Mr. Troy Grant from its Board of Directors

On November 4, 2021, the Company changed its auditors from Adam Sung Kim Ltd. to WDM Professional Chartered Accountants.

On November 9,2021 the Company appointed Neil Stevenson-Moore as its Chief Product Officer. A serial entrepreneur, Mr. Stevenson-Moore was the CEO and founder of StylePixi, a retail technology company that leverages Artificial Intelligence and advanced algorithms to disrupt the USD 25 trillion retail market. Building off of the success of StylePixi, Neil moved to London, England where he was selected to be the head of online giant Farfetch's "Store of the Future". Farfetch is recognized as a world leader in consumer retail technology and is currently valued in excess of USD 13 billion. He has since co-founded and helped to build SportNinja into a rapidly growing player in the USD 465 billion amateur sport industry. Mr. Stevenson-Moore brings a wealth of consumer engagement and marketing experience to LGL and will be instrumental in developing an exciting go-to-market strategy for the Company.

On November 10, 2021, the Company completed a non-brokered private placement consisting of 5,000,000 Units at a price of $0.50 per Unit, for gross proceeds of $2,500,000. Each Unit consists of one Common Share and one Warrant of the Company. Each Warrant will entitle the holder thereof to purchase one additional Common Share a price of $1.25 per common share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of $15,900 cash commission, 31,800 Warrants and 145,950 Common Shares to arm's-length finders. Each finder's Warrant is exercisable into one Common Share at a price of $1.25 per Common Share for a period of five years.

On November 18, 2021, the Company incorporated GenZeroes Productions Inc., a wholly-owned subsidiary incorporated under the laws of the Province of British Columbia. The Production Subsidiary was formed to produce the Company's future projects related to fields of performing arts, new media art, interactive arts, video games, websites, and video. As at the date of this Listing Statement, the Production Subsidiary is inactive.

Significant Acquisitions and Dispositions

See "*Summary of this Listing Statement – Transaction*".

NARRATIVE DESCRIPTION OF THE BUSINESS

Prior to the completion of the Transaction, the Company was a business development services company. It provided business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected Annual Financial Information

Schedule "A" to this Listing Statement contains the Annual Financial Statements. The following table sets forth selected annual financial information of LG Labs for its two most recently completed financial years. Such information is derived from, and should be read in conjunction with, the Annual Financial Statements:

	As at and for the Year Ended	
	July 31, 2021 (audited) ($)	**July 31, 2020 (audited) ($)**
Total revenue	Nil	Nil
Total expenses	52,508	61,881
Net Loss	(52,508)	(60,458)
Total assets	2,442	14,660
Total liabilities	149,755	109,465
Working Capital (deficit)	(147,313)	(94,805)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Annual Financial Statements are attached as Schedule "A" to this Listing Statement. The Annual MD&A for the years ended July 31, 2021 and 2020, which should be read in conjunction with the Annual Financial Statements are attached to this Listing Statement as Schedule "B". The information in the Annual MD&A has not been updated from the originally filed version and such information is superseded by any more current information contained in this Listing Statement.

See "*Cautionary Statement Regarding Forward-Looking Statements*" and the forward-looking statement cautionary language included in the Annual MD&A for further details.

DESCRIPTION OF THE SECURITIES

The authorized capital of LG Labs consisted of an unlimited number of Common Shares without par value and an unlimited number of preferred shares, issuable in series. As at the date of this Listing Statement, 108,241,551 Common Shares are issued and outstanding and no preferred shares are issued and outstanding.

Warrants

As of the date of this Listing Statement, there are 12,531,800 Warrants outstanding.

Options

As of the date of this Listing Statement, there are 6,000,000 Options outstanding.

Prior Sales

On September 15, 2021, the Company completed a private placement where it issued 7,500,000 Units at a price of $0.02 per Unit for gross proceeds of $150,000. Each Unit is comprised of one Common Share and one Warrant, each Warrant entitling the holder to acquire one additional Common Share at a price of $0.10 per Common Share for a period of five (5) years from the date of issuance.

On September 29, 2021, the Company completed a private placement where it issued 11,160,000 Commons Shares at a price of $0.10 per Share for gross proceeds of $1,160,000.

On September 30, 2021, the Company closed the Transaction where it issued 45,000,000 Consideration Shares at a deemed price of $0.10 per Consideration Share to the Vendors, subject to certain closing conditions. In connection with the Closing, the Company issued an aggregate of 200,000 Common Shares at a deemed price of $0.10 per Common Share to extinguish certain of HOK's outstanding accounts payable. The Company paid a finder's fee of 2,250,000 Common Shares at a deemed price of $0.10 per Common Share to certain qualified third parties in connection with the Definitive Agreement.

On October 7, 2021, the Company completed a private placement where it issued 2,000,000 Common Shares at a price of $0.10 per Share for gross proceeds of $200,000.

On November 10, 2021, the Company completed a non-brokered private placement consisting of 5,000,000 Units at a price of $0.50 per Unit, for gross proceeds of $2,500,000. Each Unit consists of one Common Share and one Warrant of the Company. Each Warrant will entitle the holder thereof to purchase one additional Common Share a price of $1.25 per common share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of $15,900 cash commission, 31,800 Warrants and 145,950 Common Shares to arm's-length finders. Each finder's Warrant is exercisable into one Common Share at a price of $1.25 per Common Share for a period of five years.

Stock Exchange Price

The Common Shares are currently not listed on any stock exchange.

EXECUTIVE COMPENSATION

Other than as set out in the table below, no compensation was paid to any of LG Labs' NEOs or directors for the fiscal years ended July 31, 2021 or 2020.

Name and Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Gregory Baron[(1)] *Former CEO, President and Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jessica Ross[(2)] *Former CFO*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Beukman[(3)] *Former Secretary and Director*	2021	42,455	Nil	Nil	Nil	Nil	42,455
	2020	47,600	Nil	Nil	Nil	Nil	47,600
Shawn Babcock[(4)] *Former Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Erik Nielsen[(5)] *Former Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Joel Dumaresq[(6)] *Former CEO and Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Theo van der Linde[(7)] *Former CFO and Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Troy Grant[(7)] *Former Director*	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

1. Mr. Baron was the CEO, President and a director of the Company from January 16, 2020 until August 25, 2021.
2. Mr. Beukman was Corporate Secretary from June 20, 2017 until January 16, 2020. He was a director from August 26, 2020 until October 14, 2021.
3. Ms. Ross was CFO of the Company from January 31, 2020 until August 25, 2021.

4. Mr. Babcock was a director of the Company from January 16, 2020 until August 26, 2020.
5. Mr. Nielsen was a director of the Company from January 16, 2020 until August 26, 2020.
6. Mr. Dumaresq was the CEO and a director of the Company from December 6, 2017 until January 16, 2020.
7. Mr. van der Linde was the CFO and a director of the Company from June 20, 2017 until January 16, 2020.
8. Mr. Grant was a director of the Company from August 26, 2020 to October 25, 2021

Oversight and Description of Director and NEO Compensation

A description of, and information with respect to the oversight of, LG Labs' director and NEO compensation is included in LG Labs' statement of executive compensation for the year ended July 31, 2020, in LG Labs' management information circular dated November 30, 2021 for the annual general shareholders' meeting on January 4, 2022, which is available under LG Labs' SEDAR profile at www.sedar.com.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued by LG Labs to any director or NEO in the most recently completed financial year for services provided or to be provided, directly or indirectly, to LG Labs.

Arm's Length Transactions

LG Labs has not acquired any assets or any services from any director or officer, principal securityholder, or any Associate or Affiliate of any such Person, in the 24 months prior to the date of this Listing Statement, other than those disclosed in the Annual Financial Statements, which are attached to this Listing Statement as Schedule "A". The Transaction is an Arm's Length Transaction.

Legal Proceedings

There are no legal proceedings that LG Labs is, or has been, a party to, or of which any of its property is, or has been, the subject matter. To the knowledge of the management of LG Labs, there are no such legal proceedings contemplated.

Material Contracts

Other than the Definitive Agreement and the Escrow Agreement, LG Labs is not a party to any material contracts, excluding contracts entered into in the ordinary course of business, which are in effect as of the date hereof.

A copy of the Definitive Agreement and Escrow Agreement may also be found under LG Labs' profile on SEDAR at www.sedar.com.

INFORMATION CONCERNING HOK

CORPORATE STRUCTURE

Name, Address and Incorporation

HOK was incorporated on December 31, 2019, pursuant to the BCBCA. HOK is a digital studio based out of Vancouver that specializes in creating NFTs for virtual reality, augmented reality, and mixed reality. HOK genesis memberships grant owners lifetime access to members-only benefits including airdrops (new releases), private discord access, and presale opportunities on future releases. In addition to creating NFTs, HOK is in the process of designing a next generation metaverse for 3D digital assets, which provides utilities and platform tools that enable users to interact with other users and to showcase their individual style and NFT collections within a proprietary metaverse[1].

The HOK team is comprised of talented artists from the film and game industry who have contributed to works from Sony, MGM, Netflix, and more.

HOK's registered and records office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

Intercorporate Relationships

As at the date of this Listing Statement, HOK has no subsidiaries. HOK is a wholly-owned subsidiary of LG Labs.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In late 2020, the company founders and developers identified two major obstacles impeding the mainstream and widespread adoption of NFTs. The first obstacle was the overall complexity of the creation and purchase experiences, the second obstacle was the lack of applications in which NFTs can be used. In general, a novice user who attempts to navigate different blockchain ecosystems and to maintain separate wallets is restricted by the set utilities of each platform. Management of HOK is in the process of developing an ecosystem for 3D digital assets which allows NFTs to retain their functionality and to exist simultaneously across different NFT blockchain environments (i.e., cross-chain).

In May 2021, the company began commercial applications as it launched its Genesis NFT. The Genesis NFT was sold to early adopters and provided the NFT holder with the exclusive access to private sales of NFT collectible created by HOK. The price was set at US$500 per Genesis NFT and users could pay through Coinbase or Paypal. HOK generated US$490,000 in four weeks

[1] 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".

of membership sales. Following the membership launch, HOK generated a further $305,000 USD in royalties as the memberships were resold among collectors. Each Genesis NFT represents a membership to exclusive NFT releases by HOK and priority access to future HOK NFT releases. There are only 809 Genesis NFTs that exists.

A key component of the HOK Studio growth plan includes celebrity and influencer partnerships. In June 2021, the Company secured its first strategic influencer collaboration with Zaire Wade. Zaire is the son of NBA Hall of Fame player Dwyane Wade. Zaire is a major influencer on Instagram with over 2 million followers, and has co-founded a fashion brand named YNG DNA that focuses on promoting inclusivity and diversity. Together, HOK and Zaire developed a unique NFT collection to be featured in the HOK metaverse. On October 25, 2021, packs of NFTs offered under the brand YNG DNA were offered in two formats – a 10-card "Big Pack" and a 20-card "Huge Pack" format, priced at US$20 and US$40, respectively. Each Pack may contain virtual trading cards featuring artwork and photography by Sir Charles Media, Konda, HoK, and Lars Kommienezuspadt. A subset of NFT cards featuring photography showcasing the YNG DNA brand may also be included in the packs. In addition, a set of 12 rare NFTs produced by HoK known as YNG DNA Meta NFTs were randomly distributed among the packs and entitle holders of these NFTs to a unique set of benefits that could include exclusive access to a physical merchandise collection and eligibility to use YNG DNA Meta NFTs in the HoK metaverse. An example of a benefit of being an HOK Genesis member (the holder of a Genesis NFT as described in the previous paragraph), a holder of a Genesis NFT is entitled to claim one Big Pack of YNG DNA NFT cards free of charge. The Company is in contractual talks with multiple other high-profile individuals and brands.

On September 30th, 2021, the Company sold a collection of 10,000 NFTs that were designed to provide the holders thereof, access to a new multi-media franchise. The franchise is named GenZeroes, and was developed in collaboration with several artists with work experience that includes projects for both the StarWars and Marvel franchises. Holders of the Genesis NFT were given priority access to acquire the GenZeroes NFTs. The entire sale of the collection completed in less than 45 minutes and realized more $6.2M in gross sales. Since the sale, the Company has also realized more than $240k in royalties from after-market sales among the community.

GenZeroes is a new multi-media franchise based on a fictional world consisting of 10 factions, where each GenZero NFT (representing a unique GenZero avatar) belongs to one of the factions. HOK describes the 10,000 Genzero avatars as, "…beings spawned by the scattered fragments of 10 powerful faction leaders, the GenZeroes, that prevailed in peace throughout the common clusters. One legend tries to explain that the 10 faction leaders became obsessed with evolving into gods themselves that they over-reached spectacularly and failed to contain the gargantuan energies they collected in their quest for divinity. The first chapter of the GenZeroes' multiverse is called 'Rise of the X', which will be a starting chapter of the whole GenZeroes' story where holders of the Genzero NFTs can interact with one another in the storyline within HOK's metaverse[2].All 10,000 GenZeroes sold in the drop (releases) 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.

[2] https://genzeroes.com/

Significant Acquisitions and Dispositions

HOK has not made any significant acquisitions or dispositions.

NARRATIVE DESCRIPTION OF THE BUSINESS

The business of the Resulting Issuer will be carried out by HOK. HOK intends to raise primary capital towards continuing its existing business and building, a blockchain-based virtual world and metaverse based on blockchain technology, utilizing NFTs. The following section provides an overview of certain common components in the NFT industry (i.e. token vs. non-fungible token, metaverse), followed by a brief history of the NFT market, then a description of the business to be carried out by the Resulting Issuer.

Tokens

Tokens are digital objects which represent the right to perform some operation. There are many different types of tokens, but the most common are utility, security, and currency tokens. Utility tokens are often unique codes or identifiers that provide their owner with access to a digital service. A fungible token can be easily exchanged for another item or value because each token is equivalent, and all tokens have the same value. Bitcoin (BTC) is an example of a fungible token. If you borrow 1 BTC from a lender, you can pay the lender back with a different BTC, and the lender would be receiving the same value in return[3].

Non-Fungible Tokens

In contrast, a non-fungible token is unique. It is one of a kind, and it has its own value. It therefore cannot be replaced by another NFT. A digital piece of art that is "tokenized" with an NFT is also unique. While it is possible to make a copy of the artwork, the NFT makes it easy to determine that the copy is not the original. When an artist tokenizes his or her digital piece of art and creates an NFT, it can be certified as a one-of-a-kind copy, and thus the NFT achieves the same kind of subjective value as a physical piece of art. NFTs are digital tokens that can include digital arts, digital assets, music, video, or any other asset in the digital world that is built based on blockchain technology[4].

Any digital asset, or a right in an underlying asset, can be tokenized to make an NFT. When an object is tokenized with an NFT, its data is turned into a digital form that exists on a blockchain with unique digital information which will distinguish it from other NFTs. Blockchains record a series of events or transactions. Once an asset on the blockchain is sold, the data of the transaction constitutes a link in the chain. Each subsequent transaction is then added as a new link[5].

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[3] "Non-fungible tokens: Emerging issues in the emerging marketplace," DLA Piper (https://www.dlapiper.com/en/us/insights/publications/2021/03/ipt-news-q1-2021/non-fungible-tokens-emerging-issues-in-the-emerging-marketplace/)

[4] See Note 3

[5] See Note 3

Blockchains are immutable, and the data entered into a chain is irreversible. This means that transactions on a chain for a digital asset cannot be modified or reversed. Also, as a decentralized network, a blockchain is typically open and anyone can view the history of the transactions for a digital asset themselves. These properties prevent assets on a blockchain from being pirated, stolen, or destroyed, and allow individuals to easily verify the uniqueness of the asset[6].

As a novel development evolved from the blockchain technology, NFTs represent a new era of digital goods. Each NFT has a unique signature and transforms an underlying digital or physical asset, such as art and other collectibles, into an "one-of-a-kind", verifiable digital asset. These NFTs can then be securely owned and easily traded, making it the fastest growing and most attractive technology for artists and collectors.

Metaverse

Metaverse is a broad term that does not have an exact definition, but generally refers to shared virtual world environments which people can access via the internet[7]. 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" in XR. 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.

See "Information Concerning HOK - HOK's Origins Metaverse Features" below for a description of HOK's metaverse products and services.

As certain metaverses are intended to represent an environment for users to interact in the XR, NFTs have been implemented as a component in the metaverse to represent a unique being (i.e. human, robot, animal, etc.), unique object (i.e. artwork, virtual land, etc.) or a unique trait.

At the moment, people interact with each other online by going to websites such as social media platforms or using messaging applications. The idea of the metaverse is that it will create new online spaces in which people's interactions can be more multi-dimensional, where users are able to immerse themselves in digital content rather than simply viewing it. There are various types of metaverses ranging from social platforms where people can socially interact with other people in the metaverse instead of the real world, or gaming worlds where users have a character that is able to walk around and interact with other players under a certain storyline.

NFT Industry Origins

The original concept for NFT started in 2014 when a project known as Counterparty was launched as a peer-to-peer financial platform where users could create their own unique currency[8], but it wasn't until 2017 when the first projects began appearing on the Ethereum Blockchain in the ERC 20 standard, and over the next two years more NFT standards were accepted and utilized. Each NFT is composed of metadata which gives each one their individuality these attributes can include

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[6] See Note 3
[7] https://www.reuters.com/technology/what-is-metaverse-2021-10-18/
[8] https://www.indiatimes.com/technology/news/non-fungible-tokens-history-crypto-digital-art-548624.html

size, artist name scarcity etc.[9] CryptoPunks was released in June 2017 as one of the first NFTs on the Ethereum blockchain. Only 10,000 CryptoPunk NFTs were issued, and each CryptoPunk NFT represented a unique character (human, zombie, ape, alien) with varying attributes. CryptoKitties was another NFT project launched in 2017[10]. Each CryptoKitty NFT represented a unique digital cat that could "breed" with another CryptoKitty to create offspring with traits passed down from the original "parent" CryptoKitties. Between 2018 and 2021 NFTs slowly move into public awareness before exploding into mainstream adoption in early 2021[11].

From 2018 to 2019, the adoption of NFTs was on the downtrend, but from 2019 to 2020, the demand for NFTs increased as demonstrated by an increasing trend in the number of active digital wallets interacting with an NFT, the number of NFT buyers and sellers, the the value of NFTs purchased and sold. Below is a summary of the macro indicators of the increasing adoption of NFTs since 2019[12].

	2018	**2019**	**2020**
Active Digital Wallets	11,0551	112,731 (+1.97%)	222,179 (+97.09%)
Buyers	51,861	44,644 (-13.92%)	74,529 (+66.94%)
Sellers	27,877	25,264 (-9.37%)	31,504 (+24.7%)
USD Volume (includes sales and in-game actions involving a financial transaction/fee)	$159,142,427	$62,868,689 (-60.52%)	$250,846,205 (+299%)

By 2020, well known brands showed interest in or started to implement NFTs as part of their marketing strategy for their businesses. Video game companies like Ubisoft (Rabbid Tokens) and Atari (Atari Token), sports leagues like the NBA (NBA Top Shot) and MLB (MLB Champions), fashion & luxury brands like Nike (CryptoKicks) and Breitling (luxury watch digital certificates), entertainment & cinema brands like BBC Studios and Warner Music Group, technology & infrastructure companies like IBM and Samsung (with NFT support), and art & auction houses like Christie's (NFT-bound artwork) and Sotheby's, all either offered NFTs, supported NFTs or showed interest in NFT-related projects).[13]

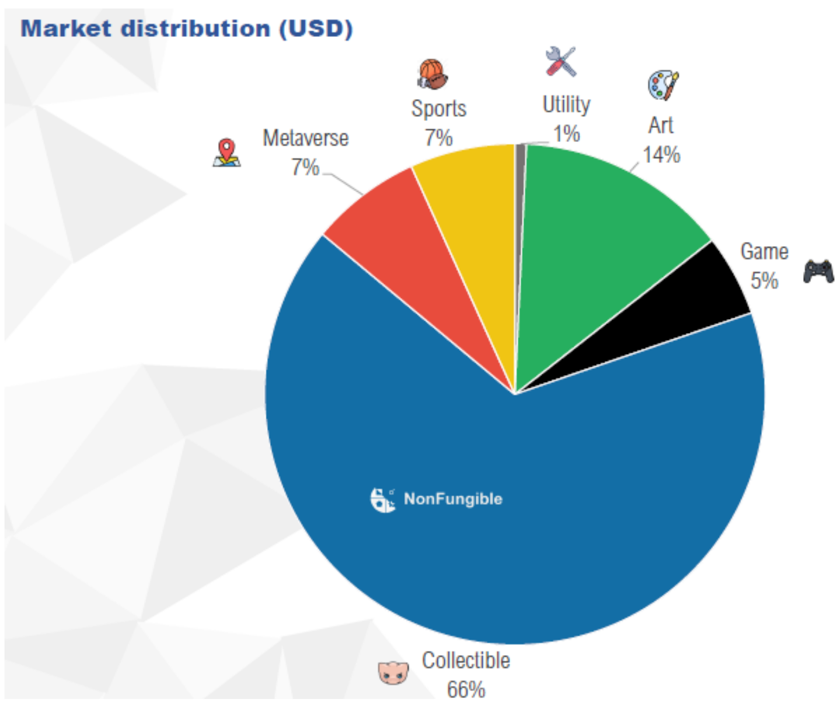
9 "Non-Fungible Tokens Yearly Report – 2020", page 3 (NonFungible.com)
10 https://www.digitaltrends.com/features/what-are-nfts-non-fungible-tokens-history-explained/
11 https://blog.portion.io/the-history-of-nfts-how-they-got-started/
12 "Non-Fungible Tokens Yearly Report – 2020", page 26 (NonFungible.com)
13 "Non-Fungible Tokens Yearly Report – 2020", pages 104-106 (NonFungible.com)

Market Overview

Reuters reports that the NFT market has reached US$2.5 billion in sales volume during the first half of 2021, which is nearly 200x more than the US$13.7 million in sales registered during the first half of 2020[14].

The implementation of NFTs into augmented reality (AR) and virtual reality (VR) represents a value-added combination of two complementary technologies. AR and VR environments grant users a platform to showcase, explore, and interact with 3-dimensional NFTs and metaverses are created as a result. With the possibility of generating profit through increasing asset and real estate values as well as through cash flow associated with the economic activity happening within the virtual worlds, this innovative market is rapidly gaining traction for artists, collectors, and investors alike, generating immense growth in sales and revenues.

In Q2 2021, the collectibles segment of the NFT market represented the largest segment of the market with a 66% share of the market. The art segment was the second biggest segment with a 14% share of the market, followed by the metaverse segment and the sports segment, each representing 7% of the NFT market. The NFT market distribution (measured the volume of USD traded) in Q2 2021 is represented in the graphic below.[15]



Stated Business Objective

[14] https://www.coinspeaker.com/nft-market-2-5b-sales-h1-2021/
[15] "Non-Fungible Tokens Quarterly Report – Q2 2021", page 15 (nonfungible.com)

HOK has a tiered revenue model that began with the commercial launch of its Genesis Membership in the second quarter of 2021 (See "Information Concerning HOK – General Development of the Business"). The Company intends to leverage its relationships in the blockchain industry to capitalize on opportunities and drive returns from the following core business segments (collectively referred to as, the "**HOK Products and Services**"):

1. creating 3D digital assets for existing NFT communities to be used in the HOK Origins Metaverse;
2. exclusive NFT drops with brands/public figures/influencers (See "Information Concerning HOK – General Development of the Business");
3. full-service NFT minting service;
4. transaction fees;
5. royalties;
6. merchandise sales;
7. utility service; and
8. advertising and sponsorship services.

To date, the Company has worked with Blockchain Foundry Inc. ("Blockchain Foundry"), a publicly traded Canadian Securities Exchange company that develops and commercializes blockchain-based business solutions and provides consulting services to corporate clients seeking to incorporate blockchain technology into their businesses. Blockchain Foundry will support the delivery of HOK NFTs on the Ethereum blockchain.

The Company's roadmap for the remainder of 2022 consists of additional NFT sales, 3D digital assets development as well as the further development of its GenZeroes multi-media franchise. Following the success of its recent NFT sale (see Narrative Description of Business – HOK), the Company plans to further develop this franchise by releasing the first chapter of the GenZeroes' multiverse called 'Rise of the X', which will be a starting chapter of the whole GenZeroes' story where holders of the Genzero NFTs can interact with one another in the storyline within HOK's metaverse.

HOK's Origins Metaverse Features

HOK is creating a blockchain-based virtual world and metaverse, named "**Origins Metaverse**", anchored on four initial offerings: a marketplace for trading NFTs and digital assets; blockchain tools including NFT minting and cross-chain wallets; a virtual reality (VR) platform for HOK assets to be utilized across environments; and VR social and gaming activities.

Highlighted features of the Origins Metaverse include:

- ✓ *Seamless purchasing:* Users purchase HOK assets which can be used in the Origins Metaverse (i.e. virtual assets such as a new skin (clothing) for an avator, a virtual object such as an automobile) the same way they would with many online purchases: through simple PayPal transactions.
- ✓ *Functional assets:* HOK assets have exceptional utility opposed to simply being visually appealing. The assets can be rented and utilized across the HOK platform's AR/VR/MR game environments.

- ✓ *Cross-chain capabilities:* HOK is a cross-platform interface, which avoids crowded Ethereum networks and allows artists to mint NFTs at a lower cost.
- ✓ *Direct engagement:* Artists and fans can interact with one another, driving popularity and community beyond an initial transaction.
- ✓ *Core community:* Partnerships tap into HOK's network of thousands of highly-involved members—a motivated group of beta testers driving feedback and revenue.

The forthcoming HoK metaverse will be a marked advancement in virtual world technologies as it is being built 'Unreal 5' ready. Epic Games states that its Unreal Engine is the world's most advanced real-time 3-D creation tool for photoreal visuals and immersive experiences.[16] The Unreal Engine is a complete suite of creation tools for game development, architectural and automotive visualization, linear film and television content creation, broadcast and live event production, training and simulation, and other real-time applications.[17] HOK will utilize this third-party suite of development tools to build the Origins Metaverse.

The Company is currently working on the development of the Origins Metaverse. The initial phase of the Origins Metaverse is anticipated to be launched in Q3, 2022 and it will allow HOK NFT holders to participate in HOK's first immersive virtual world. This launch will be proceeded by a virtual land and asset sale where participant are able to purchase digital representations of land and assets in the Origins Metaverse.

NFT Minting Service

HOK's NFT minting service is a full-service solution whereby it will work with the customer to create a digital asset, whether it be a digital representation of a physical asset or digital artwork. Upon completing the creation of the digital asset, the minting of an NFT involves encoding the digital asset in a smart contract on a blockchain network.

Objectives

With its existing working capital and proceeds from financing, HOK expects that it will have sufficient financial resources to undertake the businesses as it is proposed to be conducted and intends to complete the team of people and secure the resources necessary to carry on business as currently contemplated.

Intellectual Property

HOK believes its properties, namely HouseofKibaa.com and genzeros.com have intangible value, and the necessary and appropriate applications for associated rights are underway.

Seasonality

HOK does not anticipate that any of its business lines will have any seasonality. However, the demand for NFTs and the market value of NFTs are subject to fluctuations as a component of the

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[16] https://www.unrealengine.com/en-US/ (see "Products" tab in the pull-down menu on the homepage)
[17] https://www.unrealengine.com/en-US/faq

market desire for NFTs is based on the perception of owners and buyer and therefore is difficult to anticipate the possible factors which can drive the next purchases of NFTs. See "Risk Factors" for additional risk factors.

Dependence on Suppliers and Foreign Operations

HOK is not currently dependent on any specific third-party contract and has several alternatives for each key function provided by third parties. HOK has no risks associated with foreign operations.

Employees

As at the date of this Listing Statement, HOK has four employees, each of whom are full-time.

Competitive Conditions

HOK is uniquely positioned to compete with a market advantage given its branding, relationships, social media following and execution ability, both operational and technical. From a relationship perspective, HOK's current team has a combined 25+ years in the digital asset space and have strong relationships with key players both within the industry and outside. This enables HOK to lock in key partnerships, especially with NFT sales to help drive the growth of HOK's revenue streams and customer base. Lastly, from an execution perspective, the team has a strong track record for executing and building profitable businesses from ideation to completion. See "Risk Factors" for risk factors related to competitors.

Lending

HOK does not undertake any lending activities.

Bankruptcies, Receiverships and Similar Proceedings

There has never been any bankruptcy, receivership or similar proceedings against HOK and HOK has not been party to any voluntary bankruptcy, receivership or similar proceedings.

Reorganizations

There has not been any material reorganization of HOK since its incorporation.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected Annual Financial Information

Schedule “C” to this Listing Statement contains the audited annual financial statements of HOK for the year ended July 31, 2021 (the "**HOK Audited Financial Statements**"). The following table sets forth selected annual financial information of HOK for its two most recently completed financial years. Such information is derived from, and should be read in conjunction with, the HOK Audited Financial Statements:

	As at and for the Year Ended	
	July 31, 2021 (audited) ($)	**July 31, 2020 (Unaudited) ($)**
Total revenue	534,278	10,578
Total expenses	362,802	3,771
Net Income	126,156	6,807
Total assets	410,894	6,812
Total liabilities	277,926	Nil
Working Capital (deficit)	132,968	6,812

MANAGEMENT'S DISCUSSION AND ANALYSIS

The HOK annual MD&A for the years ended July 31, 2021 and 2020 are attached to this Listing Statement as Schedule "D". The HOK annual MD&A should be read in conjunction with the HOK Audited Financial Statements, which are attached as Schedule "C" to this Listing Statement. The information in the HOK annual MD&A has not been updated from the version attached at Schedule "D" and such information is superseded by any more current information contained in this Listing Statement.

See "*Cautionary Statement Regarding Forward-Looking Statements*" and the forward-looking statement cautionary language included in the HOK annual MD&A for further details.

DESCRIPTION OF THE SECURITIES

The authorized capital of HOK consists of an unlimited number of HOK Shares of which there are currently 100 HOK Shares issued and outstanding.

Stock Options

As of the date of this Listing Statement, HOK has nil incentive stock options outstanding.

Prior Sales

There have been no securities of HOK sold within the 12 months prior to the date of this Listing Statement.

Stock Exchange Price

No securities of HOK are listed on the CSE, the NEO Exchange or any other Canadian or foreign stock exchange, or traded on any Canadian or foreign market.

EXECUTIVE COMPENSATION

HOK does not have any formal compensation policies in place for its executive officers or directors. HOK has not issued any share-based awards to its executive officers or directors.

The HOK Board does not have a compensation committee. All compensation matters are dealt with by the HOK Board.

The following table summarizes the compensation earned by, paid to, or awarded to the NEOs and directors of HOK for the period from incorporation on December 31, 2019 to July 31, 2021:

Name and Principal Position	Period ended	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Jason Nguyen, *Founder*	2021	$120,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jason Nguyen, *Founder*	2020	$70,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil

HOK does not have in place any defined benefits or defined compensation pension plans for Named Executive Officers that provide for payments or benefits at, following or in connection with retirement.

Compensation Philosophy and Objectives

The compensation program of HOK is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve HOK's business objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of HOK. The compensation program is designed to reward management performance by aligning a component of the compensation with HOK's business performance and share value. The philosophy of HOK is to pay management a total compensation amount that is competitive with other companies in a similar industry and is consistent with the experience and responsibility level of management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of HOK on both an annual and long- term basis.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to HOK's success, the position and responsibilities of the NEOs, and competitive industry pay practices for other blockchain companies of comparable size.

Management Contracts

Management functions of HOK are substantially performed by directors or senior officers of HOK and have not been performed, to any substantial degree, by any other Person with whom HOK has contracted. Details of the contracts between HOK and each of its executive officers, all of which are expected to continue to remain in place following the Closing, are set out below:

Jason Nguyen, Chief Creative Officer

Jason will provide his services to HOK pursuant to an executive employment agreement. He will be entitled to receive a salary of $120,000 per annum, less applicable deductions and withholdings. The term of the agreement will be indefinite and may be terminated by HOK for cause, per standard employee contracting, and by Mr. Nguyen upon specified conditions including change of control, or for good reason, also per standard employee contracting.

The agreement includes a non-competition clause, whereby, during the term of the agreement and for a period of 24 months from the date of its termination, Mr. Nguyen will be prohibited from participation in companies directly in competition with HOK. Further, the agreement includes a non-solicitation provision, whereby, during the term of the agreement and for a period of 24 months from the date of its termination, Mr. Nguyen will be prohibited from soliciting any employees of HOK.

Arm's Length Transactions

Jason Nguyen advanced $55,773 as a short term, due on demand advance to fund the operations of HOK.

Other than the above-described transactions, HOK has not acquired any assets or any services from a director or officer, principal securityholder or an Associate or an Affiliate of any such Person since incorporation.

Legal Proceedings

HOK is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor is any such proceedings known to HOK to be contemplated by any party.

Material Contracts

HOK has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than the Definitive Agreement and the Escrow Agreement.

INFORMATION CONCERNING THE RESULTING ISSUER

The following information should be read in conjunction with the information concerning the Transaction appearing elsewhere in this Listing Statement. See *"Information Concerning LG Labs"* and *"Information Concerning HOK"* for additional information regarding LG Labs and HOK, respectively.

CORPORATE STRUCTURE

Name and Incorporation

The Resulting Issuer continues to exist as a British Columbia company following the Closing.

The NEO Exchange has approved the listing of the Resulting Issuer's Common Shares. The Resulting Issuer's Common Shares will trade on the NEO Exchange under the symbol "NFTX".

The registered and head office of the Resulting Issuer is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

Intercorporate Relationships

The following table describes the subsidiaries of the Resulting Issuer as at the date of this Listing Statement, their place of incorporation, continuance or formation, and the percentage of the outstanding voting securities of each subsidiary that will be beneficially owned, controlled or directed by the Resulting Issuer:

Name of Subsidiary	Percentage of Voting Securities Owned	Jurisdiction of Incorporation or Continuance
HOK	100% (direct)	British Columbia
GenZeroes Productions Inc.	100% (direct)	British Columbia

NARRATIVE DESCRIPTION OF THE BUSINESS

Principal Business

Following the Closing, the principal business of the Resulting Issuer is its HOK business line. See *"Information Concerning HOK".*

The Resulting Issuer strives to be the leading digital agency specializing in NFT architecture, immersive XR metaverse design and virtual asset royalty streams: (i) by offering new NFT collections either produced by HOK (similar to the GenZeroes NFT collection) or through collaborations with third-parties (similar to the YNG DNA NFT collection_ - see "Information Concerning HOK – General Development of the Business); (ii) build the HOK Origins Metaverse to enable holders of HOK to interact with one another in the exclusive HOK computer generated virtual environment; (iii) create digital assets representing items such as additional clothing for avatars or tools to be used by the avatars within the HOK Origins Metaverse; (iv) launch a second franchise (storyline) in addition to the GenZeroes collection; (v) and manage a portfolio of royalty rights of the NFT collections.

The NFT ecosystem runs on Blockchain technology and fosters a marketplace where creators and their partners receive royalty payments of 3-10% of every sales transaction of their virtual good, both on initial sales and in perpetuity on all future transactions. As such, NFT royalty and development platforms have the opportunity to collect lucrative passive payments in perpetuity.

Through collaborations and consulting opportunities, accretive M&A, and partnerships, the Resulting Issuer will build out a portfolio of perpetual royalty streams, resulting in consistent, derisked, passive revenue.

As NFTs continue to gain popularity in order to secure artwork, digital media, gameplay, real-life memorabilia, and applications in interactive metaverses, among other uses, the Resulting Issuer is strategically increasing its scope of offerings to broaden its portfolio of of NFT offerings and perpetual royalty streams.

Milestones

The following table sets out the Resulting Issuer's targeted business milestones, as well as the expected time frame for, and cost of, achieving same:

Milestones	No.	Estimated Completion Date	Estimated Cost
Investment / Partnership with Gaming Studio (1)	1	Q4 2021	$500,000
Investment / Partnership #2 (TBD)	2	Q1 2022	$500,000
"Origin": NFT Land Sale (2)	3	Q2 2022	$500,000
Continue to build out human capital (3)	4	Throughout	$750,000
HOK beta launch of play-to-earn game: Overlords (4)	5	Q2 2022	$200,000
"Origin": Genesis Member Launch / BETA testing (5)	6	Q3 2022	$2,250,000
"Origin": Full Launch (6)	7	Q4 2022	$1,000,000
Total			$5,700,000

(1) The strategic material investment, and resulting partnership, will provide the Resulting Issuer with the human capital to develop our project priorities at a much greater rate. This partnership will also include an option to acquire the company in the future. The Resulting Issuer is in early stage discussions.
$500,000 is allocated to a second strategic material investment and partnership with a partner to be identified, which will provide HOK with a steady stream of NFT assets, and a large community to target for product growth.

(2) The deployment of the "Origin" Metaverse will officially begin with a "Land Sale" that will introduce the community to the metaverse project.

(3) Consists of visual graphic leads, technical blockchain experts and gaming professionals. Included in salaries and benefits in Principal Use of Funds section.
(4) The play-to-earn game, developed by House of Kibaa, will provide a second significant pillar for growth and revenue.
(5) "Origin" metaverse design and development costs. The platform will be opened initially to the HOK Genesis Members for early testing and marketing opportunities.
(6) "Origin" metaverse will be officially launched and will open for public use.

While the Resulting Issuer intends to pursue these milestones, there may be circumstances where for valid business reasons, a re-allocation of efforts may be necessary or advisable.

Available Funds and Principal Purposes

Funds Available

LG Labs and HOK had a consolidated pro-forma working capital position (on an unaudited basis) of approximately $9,147,750 as at October 31, 2021, including the aggregate gross proceeds from the Concurrent Financing. The Pro-Forma Consolidated Statement of Financial Position for the Resulting Issuer is attached to this Listing Statement as Schedule "G".

The amounts shown in the above are estimates only and are based upon the information available to LG Labs and HOK as of the date hereof. The intended uses of such funds and/or the Resulting Issuer's development capital needs may vary based upon a number of factors and variances may be material.

Principal Use of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds on completion of the Transaction. The amounts shown in the table are estimates only and are based on the information available to LG Labs and HOK as of the date hereof. Finally, the categories listed below under Use of Funds are general, and none exclusively takes direct account of general business investment. For additional information with respect to the expected use of funds, see the section entitled "*Information Concerning the Resulting Issuer – Narrative Description of the Business*".

Use of Funds	Estimated Amount
Estimated Transaction costs	$300,000(1)
Strategic Investment / Partnerships	$1,000,000(2)
Technological development	$2,250,000(3)
Launch of HOK "Origins" Metaverse	$1,000,000(4)
General and administrative expenses	$250,000
Salaries & Benefits	$1,500,000
Rent and IT Expenses	$300,000
Legal & Compliance, Insurance, Accounting & Audit Fees	$450,000

Use of Funds	Estimated Amount
Marketing, Public and Investor Relations	$1,000,000(5)
Earn-Out Payments	$750,000(6)
Unallocated	$347,750(7)
Total	**$9,147,750**

(1) Includes legal fees, auditor review fees, NEO filing fees, transfer agent fees and other expenses incurred or expected to be incurred in connection with the Transaction.
(2) Allocated for strategic acquisition of high-value assets to complement present business lines. See Milestones #1 and #2 at the "Milestones" table above.
(3) Allocated for accelerated technical development of domain and platform properties already owned. See Milestones #6 at the "Milestones" table above.
(4) Allocated for targeted development in community-building initiatives and incentives for a growing user base (estimated). See Milestones #7 at the "Milestones" table above.
(5) Of the $1 million allocation, $600,000 is allocated to marketing of the Resulting Issuer's offerings that include its GenZeroes NFT collection and "Origins" metaverse to consumers; NFT development services to third-party clients; and increasing awareness of the NFT industry to the general public . The remaining $400,000 is allocated to investor relations activities, which is conducted in accordance with the Resulting Issuer's Investor Relations Strategy effective as of October 1, 2021. The Investor Relations Strategy is a framework for management and third-party service providers to ensure compliance and governance in relation to investor relations programs.
(6) $750,000 cash portion of earn out payments have been made to the former shareholders of HOK, as HOK achieved greater than the $3,000,000 revenue milestone for the year ending December 31, 2021 pursuant to the Definitive Agreement by realizing gross sales of $6,200,000 on September 30, 2021 for the sale of the GenZeroes Avatar sale (See "*Information Concerning HOK – General Development of the Business – Three Year History*".
(7) For additional allocation to any expense and/or investment laid out above which merits additional capital.

MARKET FOR SECURITIES

The Resulting Issuer has received final approval of the NEO Exchange for the listing of the Common Shares on the NEO Exchange.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets out the undiluted pro forma share capitalization of the Resulting Issuer, on a consolidated basis, following the Closing. The information should be read in conjunction with the Pro Forma Financial Statements attached as Schedule "G", which provide additional information.

Designation of Security	Amount authorized	Outstanding as of the date of this Listing Statement
Common Shares	Unlimited	108,241,551
Options	20% of issued and outstanding	6,000,000

Warrants	N/A	12,531,800
Total Fully Diluted		126,773,351

As at October 31, 2021, the Resulting Issuer had a working capital of $9,147,750 on a consolidated basis, based on the pro-forma consolidated balance sheets of the Resulting Issuer attached hereto as Schedule “G”. Other than as disclosed herein, there were no material changes in the working capital of the Resulting Issuer, on a consolidated basis, since October 31, 2021.

OPTIONS TO PURCHASE SECURITIES

On October 1, 2021, the Board of Directors approved the RSU Plan and the Option Plan (together, the “**2021 Plans**”) to grant RSUs and Options to directors, officers, key employees and consultants of the Resulting Issuer. Pursuant to the RSU Plan and the Option Plan, the Resulting Issuer may reserve up to a maximum of 20% of the issued and outstanding common shares at the time of grant pursuant to awards granted under the 2021 Plans. Previously, the Resulting Issuer had a 10% rolling Option Plan that was implemented which authorized the Board of Directors to grant Options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding Common Shares.

The Resulting Issuer’s directors, officers, employees and certain consultants are entitled to participate in the 2021 Plans. The Option Plan and RSU Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board of Directors believes that the 2021 Plans align the interests of the NEOs and the Board of Directors with shareholders by linking a component of executive compensation to the longer term performance of the common shares.

Options and RSUs are granted by the Board of Directors. In monitoring or adjusting the option allotments, the Board of Directors takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board of Directors. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board of Directors also makes the following determinations:

(a) parties who are entitled to participate in the 2021 Plans;
(b) the exercise price for each Option or RSU granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the NEO Exchange from the market price on the date of grant;
(c) the date on which each Option or RSU is granted;
(d) the vesting period, if any, for each option or RSU;
(e) the other material terms and conditions of each Option or RSU grant; and
(f) any re-pricing or amendment to an option grant.

The Board of Directors makes these determinations subject to and in accordance with the provisions of the Option Plan and RSU Plan. The Board of Directors reviews and approves grants of Options and RSUs on an annual basis and periodically during a financial year.

The following is a summary of the material terms of the 2021 Plans.

- the total number of common shares (either issued directly or issuable on exercise of Options or RSUs of the Resulting Issuer) provided as compensation to persons engaged in Investor Relations Activities (as such term is defined in the 2021 Plans) may not exceed in aggregate 2% of the issued and outstanding Common Shares in any 12 month period; and

- approval by shareholders other than directors and senior officers of the Resulting Issuer and shareholders who beneficially own or control, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all Common Shares, must all be obtained for any grants of options to a director or executive officer of, or of a related entity to, the Resulting Issuer (each a "Related Person") if, after the grant:

the total number of common shares (either issued directly or issuable on exercise of options) or the number of securities, calculated on a fully diluted basis, reserves for issuance under options granted to:

i. Related Persons, exceeds 10% of the outstanding securities of the Resulting Issuer; or
ii. a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Resulting Issuer; or

the number of securities, calculated on a fully diluted basis, issued within 12 months to:

iii. Related Persons, exceeds 10% of the outstanding securities of the Resulting Issuer; or
iv. a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Resulting Issuer.

Subject to any required approvals of the NEO Exchange or any other applicable stock exchange, the Board of Directors may amend, suspend or terminate the 2021 Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement. Further, subject to any required approvals of or any other applicable stock exchange, the Board of Directors may not do any of the following without obtaining, within 12 months either before or after the Board of Directors' adoption of a resolution authorizing such action, shareholder approval, and, where required, approval by Disinterested Shareholders, or by the written consent of the holders of a majority of the securities of the Resulting Issuer entitled to vote:

1. increase the aggregate number of common shares which may be issued under the 2021 Plans;
2. materially modify the requirements as to the eligibility for participation in the 2021 Plans that would have the potential of broadening or increasing insider participation;

3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the 2021 Plans;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the 2021 Plans reserve; and
5. materially increase the benefits accruing to participants under the 2021 Plans.

However, the Board of Directors may amend the terms of the 2021 Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

- amendments to the 2021 Plans of a housekeeping nature;
- change the vesting provisions of an option granted under the Option Plan, if applicable;
- change to the vesting provisions of a security or the 2021 Plans;
- change to the termination provisions of a security or the 2021 Plans that does not entail an extension beyond the original expiry date;
- make such amendments to the Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Resulting Issuer;
- make such amendments as may otherwise be permitted by regulatory authorities;
- if the Resulting Issuer becomes listed or quoted on a stock exchange or stock market senior to the NEO Exchange, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- amend the Option Plan to reduce the benefits that may be granted to Employees, Management Company Employees or Consultants.

As of the date of this Listing Statement, the Resulting Issuer has 6,000,000 Options and nil RSUs outstanding.

DESCRIPTION OF THE SECURITIES

The authorized capital of the Resulting Issuer consists of an unlimited number of Common Shares without par value.

Holders of Common Shares are entitled to one vote for each Common Share held at all meetings of Common Shareholders, to receive dividends if, as and when declared by the Board of Directors, and, upon liquidation, to share equally in such assets of the Resulting Issuer as are distributable to the holders of the Common Shares. The Common Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a shareholder to contribute additional capital.

Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Common Shares. The Resulting Issuer has no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Common Shares and will be entitled to an equal share in any dividends declared and paid.

ESCROWED SECURITIES

The table below sets out the Common Shares subject to the Escrow Agreement as at the date of this Listing Statement (the "**Escrowed Securities**"):

Designation of Security	Number of Securities subject to the Escrow Agreement	Percentage of Class/Type (%)
Common Shares	55,351,000	51.14%(1)
Options	2,625,000	43.75%(2)
Warrants	7,500,000	59.85%(3)

(1) An aggregate of 108,241,551 Common Shares are issued and outstanding as at the date of this Listing Statement.
(2) An aggregate of 6,000,000 Options have been granted as at the date of this Listing Statement.
(3) An aggregate of 12,531,800 Warrants have been issued as at the date of this Listing Statement.

The Escrowed Securities are subject to the following release schedule, as further detailed in the Escrow Agreement:

On the listing date	1/4 Escrowed Securities
Six months after the listing date	1/4 of the Escrowed Securities
12 months after the listing date	1/4 of the Escrowed Securities
18 months after the listing date	The remaining 1/4 of the Escrowed Securities

In addition to the Escrowed Securities, certain Shareholders have agreed to lock-up an aggregate of 24,366,750 Common Shares (the "**Lock-Up Shares**") pursuant to lock-up agreements, respectively (collectively, the "**Lock-Up Agreements**"). The Lock-Up Shares remain locked-up on the listing date and are evenly released, in proportions of 2,030,536 Common Shares in the aggregate at the end of each 30-day period after the listing date.

PRINCIPAL SHAREHOLDERS

The table below sets out information regarding any securityholder who owns of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares:

Name of Shareholder and Municipality	Number of Shares Beneficially Owned	Class of Shares	Percentage of Class(1)
Jason Nguyen *Vancouver, British Columbia*	18,000,000	Common Shares	16.63%

DIRECTORS AND OFFICERS

The table below sets out the name, municipality and province of residence, position with the Resulting Issuer, current principal occupation, and the number and percentage of Common Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's directors and officers following the completion of the Transaction. Additional biographical information about each of these individuals is set out below under the heading "Management":

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Stock Options Held
Dorian Banks		
British Columbia, Canada CEO since August 25, 2021	200,000	250,000
	Principal Occupation for the past five years: Mr. Banks is an international serial entrepreneur, having started dozens of businesses in Europe, Africa, Asia and North and South America.	
Francis Rowe		
British Columbia, Canada CFO since August 25, 2021 and Corporate Secretary since November 9, 2021	Nil	Nil
	Principal Occupation for the past five years: Mr. Rowe is a Partner at Dickson CPAs in Victoria, BC where he provides accounting, tax and business advisory services.	
Jason Nguyen		
British Columbia, Canada CCO since September 30, 2021	18,000,000	1,000,000
	Principal Occupation for the past five years: Mr. Nguyen is the founder of HOK and involved in the animation and technology sector.	
Neil Stevenson-Moore		
British Columbia, Canada Chief Product Officer since November 9, 2021	400,000	250,000
	Principal Occupation for the past five years: Mr. Stevenson-Moore is a entrepreneur who founded and built various tech start-ups over the past five years.	
Patrick O'Flaherty		
British Columbia, Canada Director since October 14, 2021	Nil	50,000[(1)]
	Principal Occupation for the past five years: Mr. O'Flaherty is a qualified Chartered Accountant in Canada.	
Carl Chow		
British Columbia, Canada Director since October 25, 2021	Nil	Nil
	Principal Occupation for the past five years: Mr. Chow served on the board of directors for a Singapore domiciled company, Interact Investments Inc., from 2010 to 2015 and held a position as an Investor Relations senior manager for NewAge Financing Limited, from 2006 until 2009. His role and responsibilities were composed of liaising with start-up companies and locating strategic Venture Capital funding	
Adam Deffett		
Ontario, Canada Director since September 15, 2021	Nil	150,000[(2)]
	Principal Occupation for the past five years: Mr. Deffett is a senior capital markets professional with over 15 years of experience in the Canadian equity markets.	

1. The 50,000 Options are held through OPC Holdings Ltd., a private company controlled by Mr. O'Flaherty.
2. The 150,000 Options are held through 2802421 Ontario Inc., a private company controlled by Mr. Deffett.

The directors and executive officers of the Resulting Issuer as a group, directly or indirectly, beneficially owns or exercises control or direction over 18,600,000 Common Shares, representing approximately 17.18% of the issued and outstanding Common Shares on a non-diluted basis (or 20,300,000 Common Shares representing approximately 16.01% of the total outstanding Common Shares on a fully diluted basis.

Board Committees

The Board of Directors has one standing committee which is the Audit Committee.

The current members of the Audit Committee are Patrick O'Flaherty, Carl Chow and Adam Deffett. All members of the Audit Committee are considered to be financially literate. Messrs. O'Flaherty, Deffett and Chow are not executive officers of the Resulting Issuer and, therefore, are independent members of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer. A material relationship means a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Resulting Issuer is, as at the date of this Listing Statement, or was within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any Resulting Issuer (including the Resulting Issuer), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a), "order" means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant Resulting Issuer access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

No director or executive officer of the Resulting Issuer, or a Common Shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

(a) is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any Resulting Issuer (including the Resulting Issuer) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Common Shareholder;

(b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Resulting Issuer's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer, its promoters, directors and officers or other members of management of the Resulting Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Resulting Issuer's MD&A for the fiscal years ended July 31, 2021 and 2020.

Management

The following is a brief description of the proposed key members of management of the Resulting Issuer:

Dorian Banks – Chief Executive Officer, 52- Mr. Banks is an international serial entrepreneur, having started dozens of businesses in Europe, Africa, Asia and North and South America. For over 25 years, he has primarily worked in the tech, agri-tech and blockchain sectors including wireless technology, 3D printing, digital assets, stevia plantations, quinoa and guar plantations, mobile apps, solar electricity generation and more. Mr. Banks primarily works to identify up-andcoming trends, develop a business model and turn the idea into a successful business. He has also consulted globally on the sectors he has most expertise. Mr. Banks has served on over a dozen public Boards and taken his own startups to the public markets such as MetroBridge Networks which he started as a one-man operation. He also has served in larger corporations such as Chief Knowledge Officer of Voith GmbH in Germany. He continues as Managing Director of Design Build Research, a non-profit educating around sustainable building practices.

Francis Rowe - Chief Financial Officer and Corporate Secretary, 31 - Mr. Rowe is a Partner at Dickson CPAs in Victoria, BC where he provides accounting, tax and business advisory services. In addition, he currently serves as a Director and Chief Financial Officer for several private entities. Mr. Rowe holds a Bachelor of Science degree from the University of Northern British Columbia and is a member of the Chartered Professional Accountants of British Columbia.

Jason Nguyen – Chief Creative Officer, 34- Mr. Nguyen has had over 10 years' experience in the animation and technology sector with renowned animation studios and positions in tech start- ups. He was a Lead Previsualisation/Layout Artist at the entertainment company WildBrain, as well as at CineSite Studios, where he worked on the animation for the Adams Family 2 movie. Mr. Nguyen acted as Chief Operating Officer at TrueToke, a luxury cannabis accessories Resulting Issuer, from March 2020 to April 2021. He has held the position of Project Manager at Paperbox Studio since February 2021. Mr. Nguyen has been a blockchain investor and researcher since 2017.

Neil Stevenson-Moore – Chief Product Officer, 40 – A serial entrepreneur, Mr. Stevenson-Moore was the CEO and founder of StylePixi, a retail technology company that leverages Artificial Intelligence and advanced algorithms to disrupt retail market. Building off of the success of StylePixi, Neil moved to London, England where he was selected to be the head of online giant Farfetch's "Store of the Future". He has since co-founded and helped to build SportNinja a tech startup with a focus in the amateur sport industry. Mr. Stevenson-Moore brings a wealth of consumer engagement and marketing experience to LGL and will be instrumental in developing an exciting go-to-market strategy for the Company.

Independent Directors

In addition to the information set out in the table above, the following is a brief description of the proposed independent directors of the Resulting Issuer:

Patrick O'Flaherty - 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.

Carl Chow – Mr. Chow served on the board of directors for a Singapore domiciled company, Interact Investments Inc., from 2010 to 2015 and held a position as an Investor Relations senior manager for NewAge Financing Limited, from 2006 until 2009. His role and responsibilities were composed of liaising with start-up companies and locating strategic Venture Capital funding. Mr. Chow completed a diploma in Financial Management from the British Columbia Institution of Technology.

Adam Deffett - 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.

CAPITALIZATION

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	108,241,551	126,773,351	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer upon exercise or conversion of other securities held) (B)	18,600,000	20,300,000	17.18 %	16.01%
Total Public Float (A-B)	89,641,551	106,473,351	82.82%	83.99%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	79,717,750	89,842,750	73.64 %	70.87%
Total Tradeable Float (A-C)	28,523,801	36,930,601	26.36%	29.13%

Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	1	1
100 – 499 securities	0	0
500 – 999 securities	225	127,100
1,000 – 1,999 securities	27	28,500
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	63	87,609,250
	316	**87,764,851**

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities	7	**1,670,700**
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm	**-**	**206,000**

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	3	18,600,000
	0	0

Securities Convertible or Exchangeable into Common Shares

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Warrants exercisable at $0.10 per Common Share expiring on September 15, 2026	7,500,000	7,500,000
Options exercisable at $0.10 per Common Share expiring on October 14, 2026	6,000,000	6,000,000
Warrants exercisable at $1.25 per Common Share expiring on November 10, 2026	5,031,800	5,031,800

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer, former director, officer or an associate of any such person:

(a) is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries; or

(b) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

RISK FACTORS

The risks and uncertainties described herein are not the only risks and uncertainties that the Resulting Issuer faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Resulting Issuer's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this Listing Statement could have a Material Adverse Effect.

This Listing Statement also contains forward-looking statements that involve risks and uncertainties. The Resulting Issuer's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Listing Statement. See "*Cautionary Note Regarding Forward-Looking Statements*".

The Resulting Issuer is exposed in varying degrees to a variety of risks, some of which may be anticipated by the Resulting Issuer and some of which may not be anticipated. The risk factors below detail some, but not all, of the risks that the Resulting Issuer is subjected to.

COVID-19 Outbreak Risks

The Resulting Issuer’s business, operations and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics and or other health crises, such as the outbreak of COVID-19. The current COVID-19 global health pandemic is significantly impacting the global economy, including commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and, to date, has included volatility in financial markets, volatility in commodity prices (including precious metals), significant restrictions on travel, temporary business closures, quarantines, and a general reduction in economic and consumer activity, globally, all of which raise concern about a prolonged global recession. In addition, the COVID-19 outbreak may result in operating, supply chain and project development delays which may have material adverse effects on the operations of third parties in which the Resulting Issuer has an interest. Such third party operations may be suspended for precautionary purposes, or due to the imposition of emergency measures or other government action to combat the spread of COVID-19. If the operation or development of one or more third party businesses in which the Resulting Issuer holds an interest is suspended, it may have a material adverse impact on the Resulting Issuer’s results of operations and financial condition, or on the trading price of the Resulting Issuer’s securities.

Additional pandemic-related risks to Resulting Issuer’s business include without limitation, the risk of breach of material contracts, employee health, workforce productivity, limitations on travel, the availability of industry experts and personnel, unknown adverse global public health developments, and other factors beyond the Resulting Issuer’s control, any of which may have a material and adverse effect on the Resulting Issuer's business, financial condition, results of operations, and securities.

As at the date of this Listing Statement, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Resulting Issuer may be affected if the COVID-19 outbreak persists for an extended period of time.

The Market price of the Common Shares may experience significant volatility

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Resulting Issuer's financial results, announcements by the Resulting Issuer, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Resulting Issuer's ability to raise capital through future sales of its securities.

Market Acceptance

The operating results of the Reporting Issuer's business is subject to the market acceptance of the HOK Products and Services. If the HOK Products and Services do not gain market acceptance, its operating results may be negatively affected. If the markets for the HOK Products and Services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Resulting Issuer may be unable to: (i) successfully market its products; (ii) develop new products or services; or (iii) complete new products and services currently under development. If the HOK Products and Services are not accepted by its customers or by other businesses in the marketplace, the Resulting Issuer's business, operating results and financial condition will be materially affected.

The growth of the NFT market and the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Conflicts of Interest

The directors and officers of the Resulting Issuer will not be devoting all of their time to the affairs of the Resulting Issuer. The directors and officers of the Resulting Issuer are directors and officers of other companies, some of which will be in similar businesses as those of the Resulting Issuer. The directors and officers of the Resulting Issuer are required by law to act in the best interests of the Resulting Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Resulting Issuer may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Resulting Issuer to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Resulting Issuer. Such conflicting legal obligations may expose the Resulting Issuer to liability to others and impair its ability to achieve its business objectives.

The Resulting Issuer has a Limited Operating History

The Resulting Issuer has a very limited history of operations and is in the early stage of operations. As such, the Resulting Issuer will be subject to many risks common to such enterprise including, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Resulting Issuer will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Resulting Issuer generated a net loss of $52,508 and a net loss of $60,458 for the years ended July 31, 2021 and 2020. The Resulting Issuer's accumulated deficit as of July 31, 2021 was $604,212. The Resulting Issuer intends to continue to expend significant funds to develop its business. As the Resulting Issuer grows, the Resulting Issuer expects the aggregate amount of these expenses will also continue to grow. The Resulting Issuer has no source of operating cash flow and there is no assurance that sufficient funding will be available in the future. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Resulting Issuer to generate cash flows from its portfolio investments.

The Resulting Issuer's efforts to grow the business may be more costly than expected and the Resulting Issuer may not be able to increase its revenue enough to offset higher operating expenses. The Resulting Issuer may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Resulting Issuer's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Resulting Issuer's future expenses and its ability to generate revenue. If the Resulting Issuer continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Resulting Issuer's stockholders' equity and working capital. Even if the Resulting Issuer achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Resulting Issuer is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Resulting Issuer’s ability to raise capital, expand its business or continue operations may be impaired. A decline in the Resulting Issuer’s value may also cause investors to lose all or part of their investment.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Resulting Issuer's ability to align incurred expenses with recognized revenues. The Resulting Issuer incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Resulting Issuer's business, financial condition, or results of operations could be materially and adversely affected.

Failure to Grow at the Rate Anticipated

The Resulting Issuer is a start-up company with no sustained history of sales or profitability. If the Resulting Issuer is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Resulting Issuer may not have adequate resources to execute its business strategy.

Attracting and Retaining Key Personnel

The Resulting Issuer may be unable to attract or retain key personnel with sufficient experience, and the Resulting Issuer may be unable to attract, develop and retain additional employees required for the Resulting Issuer’s development and future success. The Resulting Issuer’s success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Resulting Issuer may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Resulting Issuer from executing on its business plan and strategy, and the Resulting Issuer may be unable to find adequate replacements on a timely basis, or at all. The Resulting Issuer does not currently maintain key-person insurance on the lives of any of the Company's key personnel.

Ability to Secure Adequate Sources of Funding

The continued development of the Resulting Issuer’s business will require additional financing and there is no assurance that the Resulting Issuer will obtain the financing necessary to be able to achieve its business objectives. The Resulting Issuer’s ability to obtain additional financing will depend on investor demand, the Resulting Issuer’s performance and reputation, market conditions and other factors. The Resulting Issuer’s inability to raise such capital could result in the delay or indefinite postponement of the Resulting Issuer’s current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Resulting Issuer.

In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets. The Resulting Issuer’s continued growth may be financed, wholly or partially, with debt, which may increase the Resulting Issuer’s debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Resulting Issuer’s assets, and there is no assurance that the Resulting Issuer would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Risk Management Efforts May Not Be Effective

The Resulting Issuer could incur substantial losses and its business operations could be disrupted if the Resulting Issuer is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Resulting Issuer's business, assets and liabilities. The Resulting Issuer's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Resulting Issuer is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Resulting Issuer may become subject in the future.

Dependence on Third Party Relationships

The Resulting Issuer may become highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Tax and Accounting Changes

The Resulting Issuer is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Resulting Issuer’s financial results, or the manner in which the Resulting Issuer conducts its business. The Resulting Issuer may expand its operations into foreign jurisdictions in the future. These operations, and any expansion thereto, will require the Resulting Issuer to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Resulting Issuer to penalties and fees in the future if the Resulting Issuer were to fail to comply.

Additional Costs to Maintain Public Listing

The Resulting Issuer is a reporting issuer and incurs significant legal, accounting and other expenses. The Resulting Issuer will incurs increased costs as a result of operating as a publicly-traded company and its management will be required to devote substantial time to compliance.

In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Resulting Issuer's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Resulting Issuer's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Resulting Issuer with complying with these requirements. Moreover, these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public Resulting Issuer required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Being a public Resulting Issuer and complying with applicable rules and regulations will make it more expensive for the Resulting Issuer to obtain director and officer liability insurance, and the Resulting Issuer will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified executive officers and board members.

Internal Controls

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Resulting Issuer does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Resulting Issuer cannot provide reliable financial reports or prevent fraud, the Resulting Issuer's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Resulting Issuer and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Investor Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Dividends

The Resulting Issuer has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Resulting Issuer to finance future growth, the financial condition of the Resulting Issuer and other factors which the Resulting Issuer's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Resulting Issuer will pay dividends in the immediate or foreseeable future

Political and Economic Instability

The Resulting Issuer may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes or shifts in political attitude towards blockchain technology in certain countries may adversely affect the Resulting Issuer's business.

Going Concern Assumption

The financial statements of the Company and HOK have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company and HOK will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company and HOK, and therefore the Resulting Issuer's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Resulting Issuer's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Need to Manage Growth

The Resulting Issuer could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Resulting Issuer will be able to manage the impact that growth could place on the Resulting Issuer's administrative infrastructure, systems and controls. If the Resulting Issuer is unable to manage future growth effectively, the Resulting Issuer's business, operations and operating results and financial condition may be materially adversely affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Resulting Issuer's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Resulting Issuer or to its industry may adversely affect the Resulting Issuer over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Resulting Issuer requires significant access to credit for business expansion. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Resulting Issuer's business, operating results, and financial condition.

Minority Shareholder Risk

Insiders of the Resulting Issuer own approximately >16% of the Resulting Issuer's outstanding Common Shares. Accordingly, insiders of the Resulting Issuer will likely be able to exercise effective control over all matters requiring the approval of the Common Shareholders, including the election of directors and significant corporate transactions.

Regulatory Risks

The business and activities of the Resulting Issuer may be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Resulting Issuer may be subject to various laws, regulations and guidelines by governmental authorities, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Resulting Issuer, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Resulting Issuer's products and services. The Resulting Issuer's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. Although the operations of the Resulting Issuer are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Resulting Issuer's ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Resulting Issuer's current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Permits and Licenses

The Resulting Issuer believes it currently has all permits and licences that are necessary to carry on its business. It may require additional licences or permits in the future and there can be no assurance that we will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

Changes in Laws, Regulations and Guidelines

The Resulting Issuer's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Resulting Issuer is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer’s business, results of operations and financial condition.

Litigation

The Resulting Issuer may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Resulting Issuer's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management’s attention and resources and cause the Resulting Issuer to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Resulting Issuer's business, operating results or financial condition. More specifically, the Resulting Issuer may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Resulting Issuer's products. In particular, the nature of the Resulting Issuer's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation can be recovered from the Resulting Issuer's insurance policy.

Foreign and Crypto Currency Exchange Risk

The Resulting Issuer is a Canadian company, and a material amount of its expenses and fund raising is done in Canadian dollars. Certain of the expenses of the Resulting Issuer may be denominated in U.S. dollars and the initial revenues generated from the sale of NFT products will be in Ethereum. As a result, the Resulting Issuer is subject to foreign and cryptocurrency exchange risks relating to the relative value of the U.S. dollar or Ethereum compared to the Canadian dollar. A decline in the U.S. dollar or Ethereum would result in a decrease in the real value of the Resulting Issuer’s revenues and adversely impact financial performance.

General Blockchain and NFT Risks

Valuation of NFTs

The Resulting Issuer will offer, hold, or have funds associated with NFTs. NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online “collectibles,” similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the value of NFTs may be prone to “boom and bust” cycles as popularity increases and subsequently subsides. Certain metadata pertaining to NFTs may be stored “offchain,” i.e., not on a decentralized digital asset network. If the entity behind an NFT project ceases hosting relevant metadata relating to NFTs, such NFTs may become worthless. If any of these events were to occur, it could adversely affect the value of certain of the Resulting Issuer’s future strategies. In addition, because NFTs generally rely on the same types of underlying technologies as digital assets, most risks applicable to digital assets (including phishing, hacking, blockchain risks) are also applicable to NFTs and hence any investment into NFTs will be subject to general digital assets risks as described elsewhere in these risk factors.

There is uncertainty in determining the value of NFTs when the Resulting Issuer introduces an NFT collection to the market. The valuation of NFTs depends considerably on uniqueness, scarcity and the perception of owners and buyers alongside the availability of distribution channels. It is extremely difficult to anticipate the possible factors which can drive a potential buyer's purchase. Therefore, the value of NFTs would basically depend on how the buyer perceives the NFT in terms of desirability, thereby leading to fluctuations in demand and price.

Difficulty of Market Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the NFT industry. A failure in the demand for its products to materialize as a result of competition, trends, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Demand for NFTs and Volatility.

NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online “collectibles,” similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the demand for and value of NFTs may be prone to “boom and bust” cycles as popularity increases and subsequently subsides. The demand for the Resulting Issuer's products and services will correlate with the general NFT market conditions.

NFT Specific Fraud Risks

The growth in popularity of NFTs has resulted in prominent cybersecurity and fraud risks. NFT risks of replica stores that appear similar to original NFT stores with the same logo and content from authentic stores. Another prominent challenge associated with the risks and challenges related to NFTs in cybersecurity refers to fake NFT stores. The fake NFT stores could sell off NFTs which are not present in the first place. At the same time, buyers must also be wary of the concerns due to artist impersonation or counterfeit NFTs. Bad actors cam impersonate well known NFT artists and sell fake NFTs in their names. Other risks relates to copyright theft whereby the NFT creator is not the owner of the underlying copyrighted work.

Smart Contract Risks and NFT Maintenance

Smart contracts on the public blockchain network are susceptible to hackers. There have been instances where hackers were able to exploit the smart contract vulnerability of a blockchain network to alter transactions or re-direct transactions in favour of the hackers.

Although software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which NFT transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new NFTs or transactions, using such control.

The security procedures and operational infrastructure of the Resulting Issuer may be breached due to the actions of outside parties, error or malfeasance of an employee of the Resulting Issuer or otherwise, and, as a result, an unauthorized party may obtain access to the Resulting Issuer's infrastructure. Additionally, outside parties may attempt to fraudulently induce employees of the Resulting Issuer to disclose sensitive information in order to gain access to the infrastructure of the Resulting Issuer. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, the Resulting Issuer may be unable to anticipate these techniques or implement adequate preventative measures.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based offerings and platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Resulting Issuer's services to changing technologies.

Reliance of Blockchain Technology

The Resulting Issuer will rely on blockchain technology to continue to function and carry out its operations as intended. The Resulting Issuer's business plan depends upon the growth and adoption of blockchain technology generally and NFTs, bitcoin and Ethereum specifically. If industry participants determine that such crypto asset ecosystems are not effective protocols, due to security risks or other shortcomings, or if another technology emerges which is superior to the blockchain technology, then the value of the Resulting Issuer's products and services may fall or become worthless.

In particular, current NFT offerings by HOK rely on the Ethereum decentralized network to create, sell and transfer NFTs. Ethereum is a decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform. The platform allows anyone to deploy permanent and immutable decentralized applications onto it, with which users can interact. In this regard, Ethereum allows for the creation, exchange and application of NFTs. In the event that the Ethereum network is not available to the Resulting Issuer on a temporary or permanent basis, such event will adversely affect the Resulting Issuer's business of creating NFTs and offering its products.

Limited History of the Blockchain and NFT Markets

Blockchain technology is a new technological innovation with a limited history. The use of NFTs for various purposes on blockchain networks commenced on in 2015. There is no assurance that usage of blockchain or NFTs will continue to grow. A contraction in the use of blockchain or NFTs may result in increased volatility and have an adverse impact on the success of the Company's blockchain-based and NFT offerings.

The risks associated with blockchain and NFT technologies may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain and NFT technologies. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation.

Timely Adaptation to Technology Innovations

The blockchain and telecommunications markets are experiencing rapid technological changes. Failure to anticipate technology innovations or adapt to such innovations in a timely manner, or at all, may result in the Resulting Issuer's products becoming obsolete at sudden and unpredictable intervals. To maintain the relevancy of the Resulting Issuer's products and services, the Resulting Issuer may invest in product and service planning and research and development. The process of developing and marketing new products and services is inherently complex and involves significant uncertainties. There are a number of risks, including the following: (a) the Resulting Issuer's product and service planning efforts may fail in resulting in the development or commercialization of new technologies or ideas; (b) the Resulting Issuer's research and development efforts may fail to translate new product and service plans into commercially feasible products; (c) the Resulting Issuer's new technologies or new products may not be well received by consumers; (d) the Resulting Issuer may not have adequate funding and resources necessary for continual investments in product planning and research and development; (e) the Resulting Issuer's products may become obsolete due to rapid advancements in technology and changes in consumer preferences; and (f) the Resulting Issuer's newly developed technologies may not be protected as proprietary intellectual property rights.

Any failure to anticipate the next-generation technology roadmap or changes in customer preferences or to timely develop new or enhanced products in response could result in decreased revenue and market share. In particular, the Resulting Issuer may experience difficulties with product design, product development, marketing or certification, which could result in excessive research and development expenses and capital expenditure, delays or prevent the Reporting Issuer's introduction of new or enhanced products and services. Furthermore, the Reporting Issuer's research and development efforts may not yield the expected results, or may prove to be futile due to the lack of market demand.

Risk of Regulatory Restrictions on NFTs

As NFTs have grown in both popularity and market size, governments around the world may reacted differently. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Resulting Issuer to continue to operate. The effect of any future regulatory change with respect to the use of NFTs is impossible to predict, but any such change could be substantial and adverse to the Resulting Issuer. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade digital assets, or to exchange digital assets for fiat currency. These government actionsmay result in the restriction of the acquisition, ownership, holding, selling, use or trading in NFTs. Any such restriction could result in decreased market demand for the Resulting Issuer's products and services, and may adversely affect the price of the Common Shares.

Risk of Dependency on the Future Regulatory Environment in the United Sates and elsewhere

It is likely that the ability to conduct business in the United States and with U.S. customers will be critical to the Resulting Issuer's products and services.

Notwithstanding that U.S. legislators and regulators generally express support for innovation in financial markets and products, they have arguably not moved quickly to clarify the status of cryptocurrencies and other digital assets under U.S. laws, especially securities, commodities, banking and money-transmitter laws, or to accommodate proposals for new businesses or offerings. In recent years, the U.S. Securities and Exchange Commission (the "SEC"), the United States' primary securities and financial markets regulator, has taken noteworthy actions to, among other things, sanction many issuers of digital tokens, reject applications for crypto-related exchange-traded funds and suggest that bitcoin and other digital assets are not suitable holdings for traditional investment funds. It is impossible to predict what directions U.S. regulation might take in the future in respect to NFTs, which depend among other things on agency priorities and budgets, agency personnel turnover and appointments following presidential elections, legislation, judicial decisions, public perception and economic conditions. There can be no assurance that U.S. regulation will advance in a way that is favorable for the Resulting Issuer.

In the event that the Resulting Issuer conducts business in other jurisdictions other than the U.S. and Canada, it will be required to comply with applicable regulatory requirements in those jurisdictions which could be as onerous or more onerous than those of the U.S.

<u>Status of NFTs as a "Security"</u>

A particular NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Resulting Issuer is unable to properly characterize an NFT, the Resulting Issuer may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Resulting Issuer's business, operating results, and financial condition.

Although recent years have seen some guidance emerge with respect to the question of whether a digital asset constitutes a security for certain purposes under Canada and U.S. law, there remains little or no clear legal authority or established practice with respect to the application to digital assets of concepts like fungibility, settlement, clearing, trade execution and reporting, collateralization, rehypothecation, custody, repo, margin, restricted securities, short sales, bankruptcy and insolvency and many others. Some or all of these concepts may be needed for crypto-related marketplaces to continue to grow, mature and attract institutional participants; there can be no assurances that rules and practices for such concepts will develop in Canada and the

United States in a manner that is timely, clear, favorable to the Resulting Issuer or compatible with other jurisdictions' regimes.

There have been a number of proceedings and investigations conducted by securities authorities regarding digital assets and initial coin offerings but none on NFTs in particular.[18] Due to the lack of direct guidelines relating to NFTs, a registered broker-dealer sent a petition to the SEC in April 2021 requesting that the SEC publish a concept release on the regulation of NFTs and propose rules to address when NFTs are securities.[19] The petition echoed unofficial comments made by the SEC's Commissioner Hester Pierce who warned people to be cautious selling fractionalized NFTs. She pointed out that the main concept of NFTs is that they are non-fungible and therefore less likely to be a security. However, she added that whether NFTs qualify as securities would largely depend on their use[20]. The SEC's view appears to be that since NFTs lose their uniqueness when they are fractioned, they are more likely to qualify as "securities"[21].

If Ethereum, or any other supported digital asset such as an NFT, is deemed to be a security under any Canadian provincial, U.S. federal, state, or foreign jurisdiction, or in a proceeding in a court of law or otherwise, it may have adverse consequences for such supported digital asset and would have a material and adverse effect on the Resulting Issuer and its business and prospectus. For instance, all offerings in such supported digital asset would have to be registered with the applicable Canadian provincial securities authorities, SEC or other foreign authority, or conducted in accordance with an exemption from registration, which could severely limit its liquidity, usability and transactability. Moreover, the networks and platforms such as the Resulting Issuer's on which such supported digital assets are utilized may be required to be regulated as securities intermediaries, and subject to applicable rules, which could effectively render the network impracticable for its existing purposes. Further, it could draw negative publicity and a decline in the general acceptance of the digital asset. Also, it may make it difficult for such supported digital asset to be traded, cleared, and custodied as compared to other digital asset that are not considered to be securities.

Irrevocability Digital Asset Transactions

Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets, such as NFTs, will not be reversible. To the extent that the Resulting Issuer is unable to effect a corrective transaction with a third party, or is incapable of identifying the recipient of its NFTs through error or theft, the Resulting Issuer will not be able to revert or otherwise recover any incorrectly transferred NFTs, or to convert or recover NFTs transferred to uncontrolled accounts.

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[18]https://mcmillan.ca/insights/nfts-and-implications-under-canadian-securities-law/

[19] https://www.sec.gov/rules/petitions/2021/petn4-771.pdf

[20] Sophie Kiderlin, "The SEC's 'Crypto Mom' Hester Peirce says selling fractionalized NFTs could be illegal" (26 March 2021) - https://markets.businessinsider.com/news/currencies/sec-crypto-mom-hester-peirce-selling-nft-fragments-illegal-2021-3

[21] See Note 19

Software and Intellectual Property

The Resulting Issuer's operations may rely on the use of proprietary and non-proprietary software, data and intellectual property of third parties. The operation of any electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Further, the Resulting Issuer's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the Resulting Issuer's products and services could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the underlying value or functionality of an NFT offered by the Reporting Issuer may adversely affect the value of the Reporting Issuer's products and services. Additionally, a meritorious intellectual property claim could prevent the Resulting Issuer and other end-users from accessing various networks or holding, using or transferring their NFTs.

Violation of Third Party Intellectual Property Rights

The only significant intellectual property rights are certain intellectual property the Resulting Issuer has in its products, and in other future products and solutions it develops. Although the Reporting Issuer is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on the Reporting Issuer business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Reporting Issuer's business, results of operations and financial condition.

Cybersecurity Risks

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects the Resulting Issuer or its service providers might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Dependence on Digital Keys

The loss or destruction of a private key required to access certain cryptocurrencies or digital wallets may be irreversible. The Resulting Issuer's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset wallets could adversely affect the Resulting Issuer. Certain cryptocurrencies and digital wallets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet. Private keys typically must be safeguarded and kept private to prevent a third party from accessing the relevant cryptocurrencies and NFTs held in the wallet. If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Resulting Issuer will be unable to access the cryptocurrencies and NFTs held in the wallet. Any loss of private keys relating to digital wallets used to store the Resulting Issuer's cryptocurrencies and NFTs could materially and adversely affect the Resulting Issuer's operations.

Dependence on Cryptocurrency Exchanges

As the Resulting Issuers transacts on the blockchain in connection with the sale of NFTs, the initial payment of the products will be in cryptocurrency. In this regard, the Resulting Issuer will be dependent on cryptocurrency exchanges and the fluctuation of the value of cryptocurrencies. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past few years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed cryptocurrency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Cryptocurrency is not covered by deposit insurance.

Transactions using cryptocurrency are not covered by deposit insurance, unlike banks and credit unions that provide guarantees or safeguards.

Uninsured or Uninsurable Risks.

The Resulting Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical for the Resulting Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The Resulting Issuer may become subject to liability for hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Resulting Issuer does not carry insurance may have a material adverse effect on its financial position.

<u>Risk of a decline in the continuing development and acceptance of digital assets and distributed ledger technology</u>

The growth of the digital asset industry (of which NFTs are a party of) in general, and distributed ledger technology (blockchain technology) that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Many digital asset networks, including Ethereum, operate on open-source protocols maintained by groups of core developers. The open-source structure of these network protocols means that certain core developers and other contributors may not be compensated, either directly or indirectly, for their contributions in maintaining and developing the network protocol. A failure to properly monitor and upgrade network protocol could damage digital asset networks. As these network protocols are not sold and their use does not generate revenues for development teams, core developers may not be directly compensated for maintaining and updating the network protocols.

Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the networks. There can be no guarantee that developer support will continue or be sufficient in the future. To the extent that material issues arise with certain digital asset network protocols and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, such digital asset networks, and any corresponding digital assets held may be adversely affected.

<u>Values of digital assets have historically been highly volatile.</u>

As digital asset, a decline of value in NFTs that the Resulting Issuer offers or holds would negatively impact its financial position. A significant portion of demand for digital assets such as NFTs is generated by speculators and investors seeking to profit from the short- or long-term holding of these assets. Speculation regarding future appreciation in the value of a digital asset may inflate and make more volatile the price of that digital asset.

Several factors may affect the price of digital assets, particularly cryptocurrencies, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of cryptocurrencies or the use of cryptocurrencies as a form of payment. Additionally, some purportedly decentralized digital assets may be more centralized than widely believed, or may become more centralized over time, increasing the risk that an adverse event impacting an individual personality or entity could result in a reduction in the price of digital assets. While digital assets networks are typically decentralized and do not need to rely on any single government or institution to create, transmit and determine value, in reality a single personality or entity may have the ability to exert centralized authority over a network. Where a single personality or entity exerts an outsize influence, an adverse event impacting that individual or entity, such as an insolvency proceeding, could result in a reduction in the price of a digital assets.

There is no assurance that cryptocurrencies will maintain their long-term value in terms of purchasing power in the future, or that acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will continue to grow. Only a limited number of cryptocurrencies, including Ethereum and Bitcoin, have become sometimes accepted as a means of payment for some goods and services, and use of cryptocurrencies by consumers to pay at retail and commercial outlets remains very limited. In part, this is because cryptocurrencies face significant scaling obstacles that can lead to high fees or slow transaction settlement times and attempts to increase the volume of transactions may not be effective. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such limited use as has developed to date, may result in increased volatility or a reduction in the value of that cryptocurrency or cryptocurrencies generally, either of which could materially and adversely affect the Resulting Issuer's investment strategies, the value of its assets and the value of any investment in the Resulting Issuer.

Risk of a decline in the Adoption and Use of NFTs

Because NFTs are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset such as NFTs will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of NFTs and blockchain technologies could adversely affect the financial performance of the Resulting Issuer. In addition, there is no assurance that any particular NFT will maintain their value over the long term. Even if growth in the use of any NFT occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of NFTs into the retail and commercial markets may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for NFTs may be reduced and prevent the expansion of the networks to merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any NFT may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of the Resulting Issuer's assets and the value of any investment in the Common Shares.

Other Risks Relating to the Resulting Issuer’s Business

Competition

The Resulting Issuer will compete with other NFT businesses. Any market participant with sufficient capital and know-how has the ability to compete with the Resulting Issuer's core businesses. As a result, the Resulting Issuer will face significant competition in the blockchain and NFT sectors. The Resulting Issuer’s competitors may include other acquisition vehicles and major blockchain-based businesses worldwide which may have greater financial, technical and human capital than the Resulting Issuer, in addition to superior expertise and experience in the blockchain business.

The NFT market in which the Resulting Issuer competes requires continuous innovation and are highly competitive, rapidly evolving, subject to changing technology, shifting customer trends, competition for new content, and frequent introductions of new products and services. New competitors could launch new businesses in the Resulting Issuer's markets at a relatively low cost since technological and financial barriers to entry are relatively low. Some of the Resulting Issuer's current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, broader geographic scope, and larger marketing budgets, as well as substantially greater financial, technical, personnel, and other resources. The Resulting Issuer may also experience competition from smaller, newer competitors that may be more agile in responding to customers’ demands. These competitors may be able to respond more quickly and effectively than the Resulting Issuer can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if the Resulting Issuer's products are more effective than the products and services that the Resulting Issuer's competitors offer, potential customers might select competitive products and services in lieu of purchasing the Resulting Issuer's products and services. For these reasons, the Resulting Issuer may not be able to compete successfully against the Resulting Issuer's current and future competitors, which could negatively impact the Resulting Issuer's future sales and harm the Resulting Issuer's business and financial condition.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The Resulting Issuer’s exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As the Resulting Issuer offers produces and services that are reliant on both technology and human expertise and execution, the Resulting Issuer is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Resulting Issuer’s service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

PROMOTERS

There are no promoters of the Resulting Issuer.

All investments within the two years before the date of this Listing Statement or thereafter, or is to be acquired, by the Resulting Issuer or by a subsidiary of the Resulting Issuer have been from arm's length third-parties.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

As of the date of this Listing Statement, there are no legal proceedings material, and no contemplated legal proceedings known to be material, to the Resulting Issuer or its Subsidiaries, to which the Resulting Issuer or its Subsidiaries is a party or of which any of the Resulting Issuer or its Subsidiaries property is the subject matter.

Regulatory Actions

As of the date of this Listing Statement, the Resulting Issuer has not:

(a) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year;

(b) has any penalties or sanctions imposed against it by a court of regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or

(c) entered into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Resulting Issuer had or is expected to have any material interest, direct or indirect in any transactions with the Resulting Issuer that materially affected or would materially affect the Resulting Issuer. All related party transactions are detailed in the Resulting Issuer's MD&A for the fiscal years ended July 31, 2021 and 2020.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Adam Sung Kim Ltd, Chartered Professional Accountant, located at Unit 114B (2nd floor) 8988 Fraserton Court, Burnaby, BC, V5J 5H8, delivered the auditor's report for the Annual Financial Statements. Adam Sung Kim Ltd, Chartered Professional Accountant was the Company's former auditor, following the change on November 4, 2021.

WDM Chartered Professional Accountants located at 420 - 1501 West Broadway Vancouver, British Columbia Canada V6J 4Z6, delivered the auditor's report for the Annual Financial

Statements of HOK. WDM Chartered Professional Accountants have been appointed as the auditor of the Resulting Issuer, effective November 4, 2021.

The Resulting Issuer's transfer agent and registrar is Endeavor Trust Corporation located at 777 Hornby Street, Suite 702, Vancouver, British Columbia V6Z 1S2.

MATERIAL CONTRACTS

Material contracts of the Resulting Issuer, other than contracts entered into in the ordinary course of business, that were entered into since September 30, 2021 to the date of this Listing Statement which are currently in effect and considered to be currently material are as follows:

1. Definitive Agreement;
2. Escrow Agreement; and
3. Lock-Up Agreements.

Copies of the material contracts referred to in this Listing Statement may be inspected at the administrative office of the Resulting Issuer located at Suite 810 – 789 Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours, as well as under the Resulting Issuer's SEDAR profile at www.sedar.com.

INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

FINANCIAL STATEMENTS

The following financial statements are available under the Resulting Issuer's profile on SEDAR at www.sedar.com and are attached as Schedules to this Listing Statement:

1. Annual Financial Statements of LG Labs (**Schedule "A"**)
2. Annual MD&A of LG Labs (**Schedule "B"**);
3. Annual Financial Statements of HOK (**Schedule "C"**)
4. Annual MD&A of HOK (**Schedule "D"**);
5. Interim Financial Statements of LG Labs (**Schedule "E"**)
6. Interim MD&A of LG Labs (**Schedule "F"**); and
7. Pro Forma Financial Statements (**Schedule "G"**).

Schedule "A"

Annual Financial Statements of LG Labs

LOOKING GLASS LABS LTD.

(formerly Bluknight Aquafarms Inc.)

Financial Statements

Years ended July 31, 2021and 2020

Expressed in Canadian Dollars

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4300 NORTH FRASER WAY
BURNABY, BC, V5J 5J8

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Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.)

Opinion

I have audited the financial statements of Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) (the "Company"), which comprise the statements of financial position as at July 31, 2021 and July 31, 2020, and the statements of loss (income) and comprehensive loss (income), statements of cash flows and statements of changes in shareholders' deficiency for the years ended July 31, 2021 and July 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021 and July 31, 2020, and its financial performance and its cash flow for the years ended July 31, 2021 and July 31, 2020 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $52,508 during the year ended July 31, 2021 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $604,212 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I are required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
October 14, 2021

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	July 31, 2021	July 31, 2020
ASSETS			
Current assets			
Cash		$ 2,442	$ 14,660
TOTAL ASSETS		**$ 2,442**	**$ 14,660**
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		$ 44,755	$ 4,465
Loans payable	4	105,000	105,000
		149,755	109,465
SHAREHOLDERS' DEFICIENCY			
Share capital	5	456,899	507,422
Accumulated deficit		(604,212)	(602,227)
TOTAL SHAREHOLDERS' DEFICIENCY		(147,313)	(94,805)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$ 2,442**	**$ 14,660**

Nature and continuance of operations (Note 1)
Subsequent Events (Note 10)

Approved by the board of directors and authorized for issue on October 14, 2021:

"Troy Grant" *"Adam Deffett"*

Troy Grant, Director Adam Deffett, Director

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Statements of Loss and Comprehensive Loss
For the Years ended July 31, 2021 and July 31, 2020
(Expressed in Canadian Dollars)

	July 31, 2021	July 31, 2020
Expenses		
Consulting and management fees	$ 22,155	$ 25,447
Office and miscellaneous	85	165
Professional fees	29,774	33,868
Rent	-	725
Transfer agent and filing fees	494	1,676
	$ (52,508)	**$ (61,881)**
Other Items		
Gain on forgiveness of debt	-	1,423
Other Items	**$ -**	**$ 1,423**
Net loss and comprehensive loss for the year	**$ (52,508)**	**$ (60,458)**
Loss and comprehensive loss per share – basic and diluted	**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding	**35,738,697**	**38,365,601**

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Share capital			
	Number of shares	Amount	Deficit	Total
Balance at July 31, 2019	**38,365,601**	**$ 507,422**	**$ (541,769)**	**$ (34,347)**
Loss for the year	-	-	(60,458)	(60,458)
Balance at July 31, 2020	**38,365,601**	**$ 507,422**	**$ (602,227)**	**(94,805)**
Balance at July 31, 2020	**38,365,601**	**$ 507,422**	**$ (602,227)**	**$ (94,805)**
Return to treasury	(3,820,000)	(50,523)	50,523	-
Loss for the year	-	-	(52,508)	(52,508)
Balance at July 31, 2021	**34,545,601**	**$ 456,899**	**$ (604,212)**	**$ (147,313)**

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Statements of Cash Flows
For the years ended July 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Year ended July 31, 2021	July 31, 2020
Operating activities		
Loss for the year	$ (52,508)	$ (60,458)
Adjustments for non-cash items:		
Gain on forgiveness of debts	-	(1,423)
Changes in non-cash working capital items:		
Amounts receivable	-	4,072
Accounts payable and accrued liabilities	40,290	(32,892)
Net cash flows used in operating activities	(12,218)	(90,701)
Financing activities		
Loans received	-	117,500
Loans repaid	-	(12,500)
Net cash flows provided by financing activities	-	105,000
Change in cash	(12,218)	14,299
Cash, beginning	14,660	361
Cash, ending	**$ 2,442**	**$ 14,660**

Other Supplementary Information

Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

1. Nature and continuance of operations

Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. On October 8, 2021, the Company changed its name from BluKnight Aquafarms Inc. to Looking Glass Labs Ltd. The Company changed its name to Bluknight Aquafarms Inc. on July 12, 2017. The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The head office, principal address, records office and registered address of the Company are located at 810 – 789 West Pender Street, Vancouver BC.

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At July 31, 2021, the Company had not yet achieved profitable operations, had accumulated losses of $604,212 (July 31, 2020 - $602,227) since its inception, and has working capital deficit of $147,313 (July 31, 2020 – $94,805). The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

During the years ended July 31, 2021 and July 31, 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021 and beyond.

Basis of presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. Basis of presentation (cont'd)

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions where there are significant risks of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability of deferred tax assets. Actual results may differ from those estimates and judgments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the company's functional and presentation currency.

Gain/Loss per share

Basic gain/loss per share is calculated by dividing the gain/loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the gain/loss attributable to common shareholders equals the reported gain/loss attributable to owners of the Company. Diluted gain/loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted gain/loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

3. Significant accounting policies

Foreign currency translation

The results and financial position of subsidiaries whose functional currency differs from that of the parent company ("foreign operations") are translated into the Canadian dollar presentation currency as follows: (i) assets and liabilities are translated at the closing rate as at the reporting date, and (ii) income and expenses are translated at the average exchange rate of transactions for the period. All resulting exchange differences are recognized as other comprehensive income (loss).

A foreign currency translation is a transaction denominated or requiring settlement in a foreign currency and is initially recorded in the functional currency by applying the spot exchange rate on the date of the transaction. At the end of each reporting period, these balances are translated as: (i) foreign currency monetary assets and liabilities are translated using the prevailing exchange rate at the balance sheet date; (ii) non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; (iii) non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate when the fair value was measured; and (iv) income statement items denominated in foreign currencies are translated using the average monthly exchange rates, except for depreciation which is translated at historical exchange rates.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Financial instruments

Financial assets

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at FVTPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at:

3. Significant accounting policies (continued)

Financial instruments (Continued)

Financial assets (continued)

(i)amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL). All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. The classification determines the method by which financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Cash and cash equivalents, and accounts receivable are measured at amortized cost with subsequent impairments recognized in the statements of operations and comprehensive loss.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the consolidated statement of operations. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the consolidated statements of operations and comprehensive loss in the period in which they occur.

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis. If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

3. Significant accounting policies (continued)

Share-based payments

The fair value of equity settled stock options awarded to employees (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees, as of the date of delivery of service, is recognized as share-based compensation expense, included in general and administrative expenses in the Consolidated Statements of Comprehensive Loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant or the date of delivery of service. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively.

Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

4. Loans payable

During the year ended July 31, 2020, the Company received loans of $117,500 from a private company controlled by a former director (Note 6). The loans were unsecured, non-interest bearing and due on demand. During the same year, the Company repaid $12,500.

At July 31, 2021 and 2020, $105,000 in loans payable remain outstanding. Subsequent to the year ended July 31, 2021, the Company paid $100,000 and the remaining balance of $5,000 loan was forgiven.

5. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At July 31, 2021 there were 34,545,601 (July 31, 2020 – 38,365,601) issued and fully paid common shares outstanding.

On November 22, 2020, 3,820,000 common shares of the Company were returned to treasury. A book value of $50,523 was allocated to deficit during the year ended July 31, 2021.

Share issuances

During the year ending July 31, 2021 and during the year ending July 31, 2020, the Company did not issue any shares.

Warrants

(Expressed in Canadian Dollars)

5. Share capital (continued)

The following table summarizes the continuity of the Company's share purchase warrants:

	Warrants outstanding #	Exercise price $	Expiry date
Balance, July 31, 2019	37,969,000	0.05	September 21, 2019
Expired	(37,969,000)	0.05	-
Balance, July 31, 2020 and July 31, 2021	-	-	-

Stock options

The Company has not issued any stock options and no stock options are outstanding as at July 31, 2021 and July 31, 2020.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

6. Related parties

Related party balances
Amounts due to related parties:
The following amounts due to related parties are included in trade payables and accrued liabilities:

		July 31, 2021		**July 31, 2020**
A private company controlled by a director of the Company	$	36,876	$	-

The following amounts are included in loans payable by the Company (Note 4):

		July 31, 2021		**July 31, 2020**
A private company controlled by a former director of the Company	$	105,000	$	105,000

The loans are unsecured, non-interest bearing and due on demand.

Related party transactions
During the year ended July 31, 2021, the Company paid and/or accrued accounting, management and consulting fees of $42,455 (2020 - $47,600) to companies controlled by a director of the Company.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at July 31, 2021, the Company did not have any cash equivalents or interest-bearing debt and is not subject to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

7. Financial risk and capital management (continued)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

		July 31, 2021		July 31, 2020
Cash	$	2,442	$	14,660

Financial liabilities included in the statement of financial position are as follows:

		July 31, 2021		July 31, 2020
Non-derivative financial liabilities:				
Trade payables	$	44,755	$	4,465
Loans payable		105,000		105,000
	$	149,755	$	109,465

8. Segmented information

The Company operates in a single reportable operating segment – business development services in Canada.

9. Income taxes

A reconciliation of income taxes at statutory tax rates is as follows:

		July 31, 2021		July 31, 2020
Income (loss) for the year	$	(52,508)	$	(60,458)
Statutory tax rate		27%		27%
Expected income taxes (recovery)		14,177		16,324
Change in benefit not recognized		(14,177)		(16,324)
Deferred income tax recovery	$	-	$	-

The Company has approximately $352,000 of non-capital losses available, which begin to expire through to 2041 and may be applied against future taxable income. The Company also has approximately $295,000 of capital losses that may be carried forward and applied against future capital gains. At July 31, 2021, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years. The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

		July 31, 2021		July 31, 2020
Non-capital and capital losses	$	134,992	$	120,815

10. Subsequent events

On September 15, 2021, the Company closed a non-brokered private placement of 7,500,000 units of the Company issued at a price of $0.02 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one share purchase 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.

On September 29, 2021, the Company entered into 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 common shares of the Company (each a "Consideration Share") payable to the existing shareholders of HOK (the "Vendors"), subject to certain closing conditions. 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 of the Company 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 Company agreed to pay a finder's fee of 2,250,000 common shares of the Company to certain qualified third parties in connection with the closing of the Acquisition. On September 30, 2021, the Company issued 47,450,000 common shares of the Company in connection with this acquisition.

On September 29, 2021, the Company issued 11,600,000 common shares of the Company issued at a price of $0.10 per common share in connection with a private placement.

On October 7, 2021, the Company issued 2,000,000 common shares of the Company issued at a price of $0.10 per common share in connection with a private placement.

On October 8, 2021, the Company changed its name to Looking Glass Labs Ltd.

On October 14, the Company announced the appointment of Mr. Patrick O'Flaherty to the Board of Directors of the Company. Eugene Beukman resigned from its Board of Directors. The Company also 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.

Schedule "B"

Annual MD&A of LG Labs

Looking Glass Labs Ltd.
(formerly BluKnight Aquafarms Inc.)

Management's Discussion and Analysis

For the years ended July 31, 2021 and 2020

October 14, 2021

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended July 31, 2021, compared to the period ended July 31, 2020. This report prepared as October 14, 2021 intends to complement and supplement our financial statements (the "financial statements") as at July 31, 2021 and should be read in conjunction with the financial statements and the accompanying notes.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "BluKnight", we mean Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) as it may apply.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

OVERVIEW AND DESCRIPTION OF BUSINESS

Description of Business

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta. The Company is investigating new business opportunities.

COMPANY HIGHLIGHTS

During the year ended July 31, 2020, the Company received loans of $117,500 from a private company controlled by a director. The loans were unsecured, non-interest bearing and due on demand. During the same year, the Company repaid $12,500.

On August 30, 2021, the Company announced the appointment of Dorian Banks as Chief Executive Officer of the Company and the appointment of Francis Rowe as Chief Financial Officer of the Company. Mr. Gregory Baron resigned as a Director and as the Chief Executive Officer of the Company. Ms. Jessica Ross has resigned as the Chief Financial Officer of the Company.

COMPANY HIGHLIGHTS (CONTINUED)

On September 15, 2021, the Company closed a non-brokered private placement of 7,500,000 units of the Company issued at a price of $0.02 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one share purchase 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.

On September 15, 2021, the Company announced that it entered into a Binding Letter of Intent (the "LOI") to acquire 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.

On September 29, 2021, Company executed a definitive share exchange agreement (the"Agreement") to acquire 100 per-cent of the issued and outstanding securities of HOK in consideration for 45,000,000 of the Company's common shares (each a "Consideration Share") at a deemed price of $0.10 per share payable to the existing shareholders of HOK (the "Vendors").

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. 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 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. On September 30, 2021, the Company issued 47,450,000 common shares of the Company in connection with this acquisition.

Also on September 29, 2021, the Company 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.

On October 7, 2021, the Company 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.

On September 15, 2021, the Company announced the appointment of Adam Deffett to the Board of Directors.

On October 14, the Company announced the appointment of Mr. Patrick O'Flaherty to the Board of Directors of the Company. Eugene Beukman resigned from its Board of Directors. The Company also 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.

OVERALL PERFORMANCE

At July 31, 2021, the Company had not yet achieved profitable operations, had accumulated losses of $604,212 (2020 - $602,227) since its inception, and has working capital deficit of $147,313 (2020 - $94,805). The Company incurred losses of $52,508 for the year ending July 31, 2021 (2020 – $60,458). The company used $12,218 of cash (2020 - $90,701) in operating activities and raised a net of $Nil cash (2020 - $105,000) in financing activities.

SELECTED ANNUAL INFORMATION FOR THE PAST THREE YEARS

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements. Financial Statements for all years presented are prepared in accordance with IFRS.

	Fiscal Years Ended July 31,		
	2021	**2020**	**2019**
	$	$	$
Total revenue	-	-	-
Total assets	2,442	14,660	4,433
Total non-current financial liabilities	-	-	-
Total liabilities	149,755	109,465	38,780
Net gain/(loss) for the year	(52,508)	(60,458)	77,366
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)

Total assets decreased in 2021 as a result of expenditures for operations. The losses for 2021 were mainly incurred to maintain activities during the year and losses decreased in 2021 compared to 2020 as a result of an effort to conserve cash. Total assets increased in 2020 as a result of loans obtained during the year. The losses for 2020 were mainly incurred to maintain activities during the year. The activities for the year ending 2019 ended with a gain mainly due to the forgiveness of debts of $139,297.

RESULTS OF OPERATIONS

For the year ended July 31, 2021, the Company incurred a loss of $52,508 compared to a loss of $60,458 in the comparative period. The decreased loss in the prior year is mainly attributable a general effort to conserve cash and to the following items:

- The Company recorded consulting and management fees of $22,155 (2020 - $25,447). The expense is attributed to the Company's ongoing search for new business opportunities and consulting activity to develop the business of the Company.
- The Company recorded professional fees of $29,774 (2020 - $33,868) which includes accounting and legal fees. During the period, the Company accrued lower accounting costs and lower legal costs associated with audits.
- The Company recorded transfer agent and filing fees of $494 (2020 - $1,676) as the Company had recorded filing fees in 2020.
- The Company recorded rent of $Nil (2020 - $725) from decreased rental charges.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets
July 31, 2021	$13,541	$0.00	$2,442
April 30, 2021	$11,043	$0.00	$2,460
January 31, 2021	$15,505	$0.00	$2,478
October 31, 2020	$12,419	$0.00	$7,292
July 31, 2020	$11,309	$0.00	$14,660
April 30, 2020	$12,568	$0.00	$850
January 31, 2020	$13,145	$0.00	$12,287
October 31, 2019	$23,436	$0.00	$355

SUMMARY OF QUARTERLY RESULTS - DISCUSSION

The Company incurred a loss of $13,541 for the quarter ending July 31, 2021 which was comparable to a loss of $11,309 for the quarter ended July 31, 2020. The Company incurred a loss of $11,043 for the quarter ending April 30, 2021 compared to a loss of $12,568 for the comparative period due to higher legal fees accrued for audit and higher accounting fees in the prior period. The Company incurred a loss of $15,505 for the quarter ending January 31, 2021 compared to a loss of $13,145 for the comparative period due to higher legal fees accrued for audit and higher accounting fees. The Company incurred lower losses of $12,419 for the quarter ending October 31, 2020 compared to a loss of $23,436 for the same quarter the prior year. The main reason was the preservation of resources and cutting back on spending on consultants.

The main reason for the general trend of the Company reducing losses in the past eight quarters is due to the decrease in spending as the Company is focusing on minimizing overhead.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position at July 31, 2021 was a deficiency of $147,313 (2020 - $94,805) including cash of $2,442 (2020 - $14,660). The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity or debt financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity or debt financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

As at July 31, 2021, the Company owed loans of $105,000 (July 31, 2020 - $105,000) to a non-arm's length party. The loans are unsecured, non-interest bearing and due on demand.

RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Dorian Banks – CEO
Patrick O'Flaherty - Director
Eugene Beukman – Former Director
Troy Grant – Director
Francis Rowe – CFO

Adam Deffett – Director

RELATED PARTIES (CONTINUED)

Recent director resignations:
Shaun Babcock – former Director
Erik Nielson – former Director
Gregory Baron – former Director, President and CEO
Jessica Ross – former CFO
Eugene Beukman – former Director

TRANSACTIONS WITH RELATED PARTIES

Amounts due to related parties

The following amounts due to related parties are included in trade payables and accrued liabilities:

		July 31, 2021		July 31, 2020
Companies controlled by directors of the Company	$	36,876	$	-

The following amounts are included in loans payable by the Company:

		July 31, 2021		July 31, 2020
A private company controlled by a director of the Company	$	105,000	$	105,000

The loans are unsecured, non-interest bearing and due on demand.

During the year ended July 31, 2021, the Company paid and/or accrued accounting, management and consulting fees of $42,455 (2020 - $44,500) to companies controlled by directors of the Company.

FOURTH QUARTER

The Company incurred a loss of $13,541 in the fourth quarter of 2021, compared to a loss of $11,309 for the same period in the prior year.

	Quarter ended July 31,	
	2021	**2020**
	$	$
Consulting fees	5,513	5,513
Office & Miscellaneous	17	34
Professional fees	8,012	6,512
Transfer agent and filing fees (recovery)	-	(750)
Net loss for the quarter	(13,541)	(11,309)
Basic and diluted loss per share	(0.00)	(0.00)

The Company's main expenses consisted of consulting and management fees of $5,513 (2020 - $5,513) and professional fees of $8,012 (2020 - $6,512). The expenses are attributed to keeping the Company's filings current as well as the Company's ongoing search for new business opportunities and consulting activity to develop the business of the Company.

PROPOSED TRANSACTIONS

There is no material proposed transactions to report on.

SIGNIFICANT JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of the functional currency of the parent company and its subsidiaries.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In preparing these financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended July 31, 2020, including the new accounting standards adopted by the Company discussed below.

The preparation of financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The fair values of cash and equivalents, accounts payables and loan payable approximate their book values because of the short-term nature of these instruments.

(a) ***Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) ***Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings.

OTHER INFORMATION (CONTINUED)

Additional share information

Shareholders returned a total of 3,820,000 common shares to treasury and these common shares were subsequently cancelled on November 22, 2020.

At the date of this MD&A the Company had the following number of securities issued and outstanding:

Securities	Number
Common shares	103,095,601
Warrants	7,500,000
Fully diluted share capital	**110,595,601**

Additional disclosure for venture issuers without significant revenue

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its financial statements for the period ended July 31, 2021. These statements are available on SEDAR - Site accessed through www.sedar.com.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.

Schedule "C"

Annual Financial Statements of HOK

HOK TECHNOLOGIES INC.

FINANCIAL STATEMENTS

For the year ended July 31, 2021 and
Period from inception on December 31, 2019 to July 31, 2020

(Expressed in Canadian Dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
HOK TECHNOLOGIES INC.

Opinion
We have audited the financial statements of HOK Technologies Inc. ("the Company"), which comprise the statements of financial position as at July 31, 2021 and the statements of changes in shareholders' equity, income and comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

SERVICE

INTEGRITY

TRUST

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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional

Vancouver, B.C.
October 12, 2021

HOK Technologies Inc.

Statements of Financial Position

As at July 31, 2021

(Expressed in Canadian Dollars)

	Note	2021	(Unaudited) 2020
		$	$
ASSETS			
CURRENT			
Cash		**328,634**	96
Accounts receivable		**629**	-
Digital assets	5	**35,701**	-
Due from related parties	8	**-**	6,716
Prepaid expenses		**45,930**	-
		410,894	6,812
LIABILITIES			
Accounts payable and accrued liabilities	6	**206,368**	-
Due to related parties	8	**55,773**	-
Income taxes payable		**15,785**	
		277,926	-
SHAREHOLDERS' EQUITY			
Share capital	7	**5**	5
Retained earnings		**132,963**	6,807
		132,968	6,812
		410,894	6,812

NATURE AND CONTINUANCE OF OPERATIONS *(Note 1)*
SUBSEQUENT EVENTS *(Note 14)*

Approved on behalf of the Board on October 12, 2021:

/s/ Jason Nguyen

Jason Nguyen, Director

The accompanying notes are an integral part of these financial statements

HOK Technologies Inc.

Statements of Income and Comprehensive Income

For the Year Ended July 31, 2021
(Expressed in Canadian Dollars)

	Notes	Year ended July 31, 2021 $	(Unaudited) Period from December 31, 2019 to July 31, 2020 $
REVENUES			
NFT sales	3, 9	**487,692**	-
Royalty income	3, 9	**35,837**	-
Miscellaneous income	9	**10,749**	10,578
		534,278	10,578
EXPENSES			
Computer		**8,995**	-
Management fees	8	**190,000**	-
Marketing		**4,321**	2,896
Office		**1,892**	25
Professional fees		**20,325**	850
Technology, research and development costs		**123,056**	-
Transaction fees		**14,213**	-
		362,802	3,771
INCOME BEFORE OTHER ITEM AND INCOME TAX		**171,476**	6,807
Foreign exchange loss		**27,983**	-
INCOME BEFORE INCOME TAX		**143,493**	6,807
Income tax expense	10	**17,337**	-
NET INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD		**126,156**	6,807

The accompanying notes are an integral part of these financial statements.

HOK Technologies Inc.
Statements of Changes in Shareholders' Equity
For the Year Ended July 31, 2021
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Retained Earnings	Total Shareholders' Equity
		$	**$**	**$**
Balance on Incorporation, December 31, 2019 (Unaudited)	100	5	-	-
Net income and comprehensive income for the period	-	-	6,807	6,807
Balance, July 31, 2020 (Unaudited)	100	5	6,807	6,812
Net income and comprehensive income for the year	-	-	126,156	126,156
Balance, July 31, 2021	**100**	**5**	**132,963**	**132,968**

The accompanying notes are an integral part of these financial statements.

HOK Technologies Inc.
Statements of Cash Flows
For the Year Ended July 31, 2021
(Expressed in Canadian Dollars)

	Year ended July 31, 2021 $	(Unaudited) Period from December 31, 2019 to July 31, 2020 $
CASH FLOWS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income and comprehensive income for the period	**126,156**	6,807
Adjusted for:		
Royalty revenues	**(35,701)**	-
Net changes in non-cash working capital items:		
(Increase) in accounts receivable	**(629)**	-
(Increase) in prepaid expenses	**(45,930)**	-
Increase in accounts payable	**206,368**	-
Increase in income taxes payable	**15,785**	-
NET CASH PROVIDED BY OPERATIONS	**266,049**	6,807
FINANCING ACTIVITIES		
Proceeds from issuance of shares	**-**	5
Funds received from (paid to) related parties	**62,489**	(6,716)
NET CASH PROVIDED BY (USED IN) FINANCING	**62,489**	(6,711)
INCREASE IN CASH FOR THE PERIOD	**328,538**	96
CASH, BEGINNING OF PERIOD	**96**	-
CASH, END OF PERIOD	**328,634**	96

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

HOK Technologies Inc. (the “Company”, “HOK” or “House of Kibaa”) was incorporated on December, 31, 2019, in British Columbia. The Company specializes in the design, development, and sale of exclusive Non-Fungible Tokens (“NFT”) using 3D design principles suitable for personal and commercial application in extended reality (XR) environments. The HOK studio provides utilities and platform tools that enable users to showcase their individual style and NFT collections within a proprietary metaverse.

The corporate registered and records offices of the Company are located at 1428 E 20th Avenue, Vancouver, BC V5N 2K6.

The Company has only commenced earning revenue and does not have sufficient cash to meet its administrative overhead and service its obligations. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond twelve-month period. Management’s plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations. If necessary, the Company will curtail discretionary spending.

These financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the year ended July 31, 2021, the Company earned a net comprehensive income of $126,156 (2020 - $6,807), and had retained earnings of $132,963 (2020 - $6,807) and working capital of $132,968 as at July 31, 2021 (2020 –$6,812). The Company anticipates that although the Company has earned income since inception, losses can occur in the future. The Company’s ability to continue as a going concern and meet its corporate objectives will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID- 19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

NOTE 2 – BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These audited financial statements were approved and authorized for issue by the Board of Directors on October 12, 2021.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar. The presentation currency of these financial statements is the Canadian dollar.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to the periods presented.

a) Presentation and functional currency

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the closing rate (the exchange rate at the reporting date). Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in the statement of comprehensive income.

b) Digital assets

Digital assets consist of crypto currency denominated assets such as Bitcoin and Ethereum and are included in current assets. Digital currencies meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substances. They are initially recorded at cost and the revaluation method is used to measure the digital currencies subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss.

Crypto currency held by the Company is valued at their fair value using an open market quoted price. The Company converts the best quoted USD price on the date the digital assets were generated. The Company converts the price from USD to CAD based on the closing exchange rate on the date of asset generation. Subsequent to initial recognition, digital assets are remeasured at each reporting period to the Canadian dollar price.

c) Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. As at July 31, 2021, the Company has not capitalized any research and development costs. Expenses included in research and development include material costs, employee compensation, consulting, facility costs and equipment and technology costs.

d) Common shares

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Common shares issued for non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares is based on the trading price of those shares on the appropriate stock exchange on the date of the agreement to issue or receive shares as determined by the board of directors.

e) Earnings per share

Basic earnings (loss) per share is computed by dividing the net income (loss) for the year by the weighted average number of common shares outstanding during the year. To compute diluted earnings (loss) per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the year or at time of issuance, if later, all options and warrants were exercised. The proceeds from exercise would be used to purchase the Company's common shares at their average market price during the year. If this computation is anti-dilutive, diluted loss per share is the same as basic loss per share.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Revenue recognition

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), amended revenue recognition requirements and established principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer
2. Identifying the performance obligations within the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

For NFT sales, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. The Company recognizes its revenue at a point in time. The Company grants its NFT holders non-exclusive, non-sublicensable, non-transferrable, revocable, limited license to use its products. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

Royalty revenue is accrued for royalty streams when the amount of revenue can be reliably measured based on relevant agreements and statements received from third party agents, and the underlying sales activity generating the royalty revenue has occurred.

g) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies cash and amounts due to related parties as FVTP, and accounts payable as amortized cost.

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (Continued)

iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

i) Newly adopted accounting standards

Amendments to IAS 1

In January 2020, the IASB issued amendments to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted. The amendments are to be applied retrospectively. The Company does not intend to early adopt these amendments and is currently assessing the impact of these amendment on its financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting periods. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Actual results could differ materially from those reported.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant Judgements are as follows:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Digital assets

Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are should be accounted for as intangible assets in accordance with IAS 38 *Intangible Assets*.

(Expressed in Canadian Dollars)

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant Estimates are as follows:

Digital currency valuation

Digital assets consist of cryptocurrency denominated assets (Note 5). Digital assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinbase.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

NOTE 5 – DIGITAL ASSETS

Digital assets are recorded at their fair value on the acquisition date or when they are received as revenues and are revalued to their current market value at each reporting date. The fair value is determined using the spot rate based on the hourly volume weighted average from www.coinbase.com on the date the tokens are received or recorded as a receivable.

As at July 30, 2021 and July 30, 2020, the fair value of the digital assets is as follows:

	$
Balance, on incorporation and at July 31, 2020	-
Digital assets earned from revenues	112,372
Digital assets sold	(112,508)
Royalties earned	35,837
Balance, July 31, 2021	35,701

During the year ended July 31, 2021, the Company sold digital assets for proceeds totalling $112,508 with a cost of $112,372, and has earned royalties of $35,837 on its holdings of Ethereum.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021 **$**	2020 $
Accounts payable	**190,368**	-
Accrued liabilities	**16,000**	-
	206,368	-

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

Shares issued in 2021

No shares were issued during the year

Shares issued in the period from December 31, 2019 to July 31, 2020

The Company issued 100 common shares for $5 to the founder of the Company.

(Expressed in Canadian Dollars)

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended July 31, 2021, the Company incurred $190,000 in management fees to the shareholder of the Company (2020 - $Nil).

As at July 31, 2021, $245,773 is owed to (2020 - $6,716 due from) the shareholder of the Company, of which $190,000 (2020 - $Nil) is recorded in accounts payable (Note 6).

Amounts owed to related parties do not bear interest, are unsecured, and are payable on demand.

NOTE 9 – REVENUES

The Company's main source of revenue is the sale of digital goods to customers.

The following is a break-down of revenues earned:

	2021	2020
	$	$
NFT Sales	**487,692**	-
Royalty income (Note 5)	**35,837**	-
Miscellaneous income	**10,749**	10,578
	534,278	10,578

NOTE 10 – INCOME TAXES

The income tax expense of the Company is reconciled to the net income for the year as reported in the statements of comprehensive income by applying the combined federal and provincial income tax rate of 11.0% (2020 – 11.0%) as follows:

Income before income tax	**$ 143,493**
Income tax rate	**11%**
Income tax expense	**$ 15,785**

NOTE 11 – FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at July 31, 2021, the Company has cash of $328,634 (2020 - $96) and digital assets of $35,701 (2020 - $Nil) available to apply against short-term business requirements and current liabilities of $277,926 (2020 - $Nil).

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is exposed to market risk of its digital assets held. As at July 31, 2021, management concluded the exposure to market risk was not material

NOTE 11 – FINANCIAL RISK FACTORS (CONTINUED)

d) Fair Value

The fair value of the Company's amounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and line of credit approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The Company's loan payable is recorded at amortized cost, and the Company's cash and marketable securities are recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities.

NOTE 12 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the year ended July 31, 2021. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

NOTE 13 – COVID-19 PANDEMIC

In March 2020, the World Health Organization declared, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic. This has resulted in governments worldwide enacting emergency measures to limit the spread of the virus, including closure of non-essential businesses. As of the date of this report, the majority of the Company's operations are considered essential in all jurisdictions in which the Company operates. As such, to date the Company has been able to continue operating with no material impact to operations.

There have been no material revisions to the nature and number of estimates and judgments made in respect of the Company's consolidated financial statements of prior periods. However, the effects of COVID-19 have required significant judgements and estimates to be made in the preparation of the Company's consolidated financial statements.

Additionally, the effects of COVID-19 may require revisions to estimates of expected credit losses attributed to accounts receivable. To date no revisions to managements' estimates and judgements used in the preparation of the Company's consolidated financial statements have been necessary.

Due to rapid developments and uncertainty surrounding COVID-19 or the possible ending of COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's operations or financial results in the future, its suppliers, and its customers. Additionally, it is possible the Company's operations and consolidated financial results will change in the near term as a result of COVID-19 or the ending of COVID-19.

NOTE 14 – SUBSEQUENT EVENTS

On September 29, 2021, the Company and its shareholders entered into a Share Exchange Agreement (the "Agreement") with BluKnight Aquafarms Inc. ("BluKnight"). BluKnight acquired 100% of the issued and outstanding common shares of the Company from its shareholders in exchange for 45,000,000 common shares of BluKnight.

On September 30, 2021, the Company completed its GenZeros NFT Avatar sale. The Company sold 10,000 units for gross proceeds of 1,677.46 Ethereum coins (equivalent to approximately Cdn$6,200,000 based on September 30, 2021 trading price on Kraken Exchange).

Schedule "D"

Annual MD&A of HOK

HOK TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended July 31, 2021 and
Period from inception on December 31, 2019 to July 31, 2020
(Expressed in Canadian Dollars)

BACKGROUND

This management's discussion and analysis of the financial position and results of operations ("MD&A") for HOK Technologies Inc. (the "Company") is prepared as at October 12, 2021. The information herein should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2021 and the related notes contained therein, which have been prepared under International Financial Reporting Standards ("IFRS").

The information contained herein is not a substitute for detailed a investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID- 19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

FORWARD-LOOKING STATEMENTS

The information provided in this MD&A, including schedules and information incorporated by reference, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under "Description of Business".

The specific forward-looking information contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- timelines;
- strategic plans;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the Company;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the fund available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of members of the Company;
- the current lack of profitability of the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on the sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- parameters and assumptions underlying future acquisitions;
- risks relating to acquisitions of equity securities;
- the Company's operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to the early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors are discussed under the heading "*Risk Factors*".

COMPANY OVERVIEW

HOK Technologies Inc. (the "Company", "HOK" or "House of Kibaa") was incorporated on December, 31, 2019, in British Columbia. The Company specializes in the design, development, and sale of exclusive Non-Fungible Tokens ("NFT") using 3D design principles suitable for personal and commercial application in extended reality (XR) environments. The HOK studio provides utilities and platform tools that enable users to showcase their individual style and NFT collections within a proprietary metaverse.

The corporate registered and records offices of the Company are located at Suite 810 – 789 West Pender Street Vancouver, BC, V6C 1H2.

The Company has only commenced earning revenue and does not have sufficient cash to meet its administrative overhead and service its obligations. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond the twelve-month period. Management plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations. If necessary, the Company will curtail discretionary spending.

OPERATIONAL HIGHLIGHTS

In late 2020, the company founders and developers identified two major obstacles impeding the mainstream and widespread adoption of NFTs. The first obstacle was the overall complexity of the creation and purchase experiences, the second obstacle was the lack of applications in which NFTs can be used.

In general, a novice user who attempts to navigate different blockchain ecosystems and to maintain separate wallets is restricted by the set utilities of each platform. Management of HOK is in the process of developing an ecosystem for 3D assets which allows NFTs to retain their functionality and to exist simultaneously across different NFT blockchain environments (i.e., cross-chain).

In May 2021, the Company began commercial applications as it launched its Genesis Membership. The Genesis Membership was sold to early adopters in the form of a NFT and provided the NFT holder with the promise of a lifetime of digital assets to be airdropped monthly. The price was set at US$500 and users could pay through Coinbase or Paypal. HOK generated US$490,000 in four weeks of membership sales. Following the membership launch, HOK generated a further US$305,000 in royalties as the memberships were resold among collectors. A key component of the HOK Studio growth plan includes celebrity and influencer partnerships. In June 2021, the Company secured its first strategic influencer collaboration with Zaire Wade. Zaire is the son of NBA Hall of Fame player Dwyane Wade and is himself a highly ranked NBA prospect. Zaire is a major influencer on Instagram with over 2M followers, and has co-founded a fashion brand that focuses on promoting inclusivity and diversity. Together, HOK and Zaire have been developing a unique NFT to be featured in the HOK Metaverse. The official launch of the NFT is slated for Q4 2021. The Company is in contractual talks with multiple other high-profile individuals and brands.

On September 30th, 2021, the Company sold a collection of 10,000 NFTs that were designed to promote a new multi-media franchise. The franchise is named GenZeroes, and was developed in collaboration with several artists with work experience that includes projects for both the StarWars and Marvel franchises. The entire sale of the collection was completed and realized appromixately $6.2M in gross sales.

The Company is developing a 3D digital ecosystem that promotes inclusivity of non-discriminatory thought and taste. The ecosystem will leverage custom-developed tools and processes that allow users to showcase, trade, purchase, or rent NFTs and other digital assets in real-time. A unique feature of the HOK ecosystem will be the ability to access NFTs from multiple blockchains in a common metaverse.

SELECTED ANNUAL INFORMATION

A summary of selected annual financial information is as follows, as expressed in Canadian dollars, and in accordance with IFRS:

	July 31, 2021 **$**	July 31, 2020 $
Total assets	**410,894**	6,812
Total long-term financial liabilities	**-**	-
Net income and comprehensive income	**126,156**	6,807
Earnings per share, basic and diluted	**1,261.56**	68.07

During the year ended July 31, 2021, the Company had more revenues and incurred significantly more expenditures as the Company started to grow and initiated sales. In the prior year, the Company was newly incorporated and had minimal transactions.

Expressed in Canadian Dollars, unless otherwise stated

RESULTS OF OPERATIONS

	Year ended July 31, 2021	(Unaudited) Period from December 31, 2019 to July 31, 2020
	$	$
REVENUES		
NFT sales	**487,692**	-
Royalty income	**35,837**	-
Miscellaneous income	**10,749**	10,578
	534,278	10,578
EXPENSES		
Computer	**8,995**	-
Management fees	**190,000**	-
Marketing	**4,321**	2,896
Office	**1,892**	25
Professional fees	**20,325**	850
Technology, research and development costs	**123,056**	-
Transaction fees	**14,213**	-
	362,802	3,771
INCOME BEFORE OTHER ITEM AND INCOME TAX	**171,476**	6,807
Foreign exchange loss	**27,983**	-
INCOME BEFORE INCOME TAX	**143,493**	6,807
Income tax expense	**17,337**	-
NET INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD	**126,156**	6,807

For the year ended July 31, 2021 and the period ended July 31, 2020

For the year ended July 31, 2021, the Company recorded a net income of $126,156 (2020 – $6,807). For the comparative period ended July 31, 2020, the Company was newly incorporated and incurred minimal expenditures and had minimal income.

Several highlights of operations are below:

During the year ended July 31, 2021, the Company incurred significantly higher expenditures related to its operating activities.

- A significant portion of these expenditures included fees paid to consultants, legal fees, and research and development expenditures. The Company engaged several consultants to launch its initial NFT sale and began development of its metaverse
- Management fees consist of fees paid/accrued to the Director
- The Company earned sales revenues during the year, whereas in the prior sales were not made.

Expressed in Canadian Dollars, unless otherwise stated

- Additionally, the Company earned royalty revenues based on a percentage of the sale transactions. The NFT ecosystem runs on Blockchain technology and fosters a marketplace where creators and their partners receive 100% of primary market sales, and also royalty payments of 3-10% of every subsequent sales transaction of their virtual good in perpetuity.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operation results for the past seven quarters:

	Three month period ended July 31, 2021	Three month period ended April 30, 2021	Three month period ended January 31, 2021	Three month period ended October 31, 2020
	$	$	$	$
Total assets	410,894	3,751	11,800	11,794
Working capital	132,968	(36,552)	1,811	11,794
Shareholders' equity	132,968	(11,452)	12,961	6,812
Net Income (loss) and comprehensive income (loss)	156,970	(36,963)	1,167	4,982
Income (loss) per share	1,569.70	(369.63)	11.67	49.82

	Three month period ended July 31, 2020	Three month period ended April 30, 2020	Period from Dec 31 2019 to January 31, 2020
	$	$	$
Total assets	6,812	3,568	-
Working capital	6,812	3,568	(845)
Shareholders' equity	6,812	3,568	(845)
Net loss and comprehensive income (loss)	3,244	4,413	(850)
Income (loss) per share	32.44	44.13	(8.50)

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of demand and distribution needs and the availability of funding. In the current year, the Company had significantly more activity in the current as a result of the growth of the Company.

Expressed in Canadian Dollars, unless otherwise stated

LIQUIDITY AND CAPITAL RESOURCES

Capital management

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the year ended July 31, 2021. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

Liquidity and capital resources

The Company's working capital and retained earnings position at July 31, 2021 and 2020 were as follows:

	July 31, 2021	July 31, 2020
	$	$
Working capital	**132,968**	6,812
Retained earnings	**132,963**	6,807

Liquidity and capital resources (Continued)

The balance of cash available at July 31, 2021 was $328,634 (2020 - $96) with a working capital of $132,968 (2020 – $6,812).

The Company anticipates the Company's working capital will continue to improve over time as the Company obtains financing. The Company intends to fund short-term capital requirements via equity financings.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Liquidity and capital resources – Operating activities

Net cash earned from operating activities for the year ended July 31, 2021 was $266,049 (2020 - $6,807). During the current year, the Company had had significantly more revenues and expenditures whereas in the prior comparative period the Company had minimal activity.

Liquidity and capital resources – Financing activities

Net cash provided by financing activities during the year ended July 31, 2021 was $62,489 (2020 - $6,716 used in financing activities). During the year ended July 31, 2021, the Company received funds of $62,489 from shareholders. In the prior year's comparative period, the Company received $5 for common shares and advanced funds to shareholders of $6,716.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company are as follows:
Jason Nguyen Director

As at July 31, 2021, $245,773 is owed to (2020 - $6,716 due from) the shareholder of the Company, of which $190,000 (2020 - $Nil) is recorded in accounts payable and accrued liabilities.

Amounts owed to related parties do not bear interest, are unsecured, and are repayable on demand.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company continues to review changes to IFRS standards, there are no other pending IFRSs that are expected to be relevant to the Company's financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Expressed in Canadian Dollars, unless otherwise stated

FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is exposed to market risk of its digital assets held. As at July 31, 2021, Management concludes the exposure to market risk is not material.

Fair value

The fair value of the Company's amounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and line of credit approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The Company's loan payable is recorded at amortized cost, and the Company's cash and marketable securities are recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at July 31, 2021, the Company has cash of $328,634 (2020 - $96) and digital assets of $35,701 (2020 - $Nil) available to apply against short-term business requirements and current liabilities of $277,926 (2020 - $Nil).

OTHER RISKS AND UNCERTAINTIES

The Company currently has sales revenues, however growth of the business may require additional debt or equity financing. There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

OUTSTANDING SHARE DATA

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares issued or issuable
Common shares	100

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet items.

RISKS AND UNCERTAINTIES

The risks and uncertainties described herein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Company's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this MD&A could have a Material Adverse Effect.

This MD&A also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this MD&A. See "*Cautionary Note Regarding Forward-Looking Statements*".

The Company is exposed in varying degrees to a variety of risks, some of which may be anticipated by the Company and some of which may not be anticipated. The risk factors below detail some, but not all, of the risks that the Company is subjected to.

As at the date of this MD&A, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the COVID-19 outbreak persists for an extended period of time.

The Market price of the Common Shares may experience significant volatility

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

Market Acceptance

The operating results of the Reporting Issuer's business is subject to the market acceptance of the HOK Products and Services. If the HOK Products and Services do not gain market acceptance, its operating results may be negatively affected. If the markets for the HOK Products and Services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its products; (ii) develop new products or services; or (iii) complete new products and services currently under development. If the HOK Products and Services are not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

The growth of the NFT market and the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which will be in similar businesses as those of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

The Company has a Limited Operating History

The Company has a very limited history of operations and is in the early stage of operations. As such, the Company will be subject to many risks common to such enterprise including, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Company will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Company's efforts to grow the business may be more costly than expected and the Company may not be able to increase its revenue enough to offset higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Company's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Company's future expenses and its ability to generate revenue. If the Company continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Company's stockholders' equity and working capital. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Company's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Company's value may also cause investors to lose all or part of their investment.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no sustained history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.

Attracting and Retaining Key Personnel

The Company may be unable to attract or retain key personnel with sufficient experience, and the Company may be unable to attract, develop and retain additional employees required for the Company's development and future success. The Company's success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of the Company's key personnel.

Ability to Secure Adequate Sources of Funding

The continued development of the Company's business will require additional financing and there is no assurance that the Company will obtain the financing necessary to be able to achieve its business objectives. The Company's ability to obtain additional financing will depend on investor demand, the Company's performance and reputation, market conditions and other factors. The Company's inability to raise such capital could result in the delay or indefinite postponement of the Company's current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

In addition, from time to time, the Company may enter into transactions to acquire assets. The Company's continued growth may be financed, wholly or partially, with debt, which may increase the Company's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Company's assets, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Risk Management Efforts May Not Be Effective

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

Dependence on Third Party Relationships

The Company may become highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Tax and Accounting Changes

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, or the manner in which the Company conducts its business. The Company may expand its operations into foreign jurisdictions in the future. These operations, and any expansion thereto, will require the Company to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to fail to comply.

Additional Costs to Maintain Public Listing

The Company is a reporting issuer and incurs significant legal, accounting and other expenses. The Company will incurs increased costs as a result of operating as a publicly-traded company and its management will be required to devote substantial time to compliance. In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Company's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The

Company's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Company with complying with these requirements. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public Company required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Being a public Company and complying with applicable rules and regulations will make it more expensive for the Company to obtain director and officer liability insurance, and the Company will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified executive officers and board members.

Internal Controls

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Company does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Company and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Investor Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Dividends

The Company has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes or shifts in political attitude towards blockchain technology in certain countries may adversely affect the Company's business.

Going Concern Assumption

The financial statements of the Company and HOK have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company and HOK will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company and HOK, and therefore the Company's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Need to Manage Growth

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company requires significant access to credit for business expansion. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Minority Shareholder Risk

Insiders of the Company own approximately >16% of the Company's outstanding Common Shares. Accordingly, insiders of the Company will likely be able to exercise effective control over all matters requiring the approval of the Common Shareholders, including the election of directors and significant corporate transactions.

Regulatory Risks

The business and activities of the Company may be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Company may be subject to various laws, regulations and guidelines by governmental authorities, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. The Company's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. Although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Company's current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Company.

Permits and Licenses

The Company believes it currently has all permits and licences that are necessary to carry on its business. It may require additional licences or permits in the future and there can be no assurance that we will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

Changes in Laws, Regulations and Guidelines

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Company is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation can be recovered from the Company's insurance policy.

Foreign and Crypto Currency Exchange Risk

The Company is a Canadian company, and a material amount of its expenses and fund raising is done in Canadian dollars. Certain of the expenses of the Company may be denominated in U.S. dollars and the initial revenues generated from the sale of NFT products will be in Ethereum. As a result, the Company is subject to foreign and cryptocurrency exchange risks relating to the relative value of the U.S. dollar or Ethereum compared to the Canadian dollar. A decline in the U.S. dollar or Ethereum would result in a decrease in the real value of the Company's revenues and adversely impact financial performance.

General Blockchain and NFT Risks

Valuation of NFTs

There is uncertainty in determining the value of NFTs when the Company introduces an NFT collection to the market. The valuation of NFTs depends considerably on uniqueness, scarcity and the perception of owners and buyers alongside the availability of distribution channels. It is extremely difficult to anticipate the possible factors which can drive a potential buyer's purchase. Therefore, the value of NFTs would basically depend on how the buyer perceives the NFT in terms of desirability, thereby leading to fluctuations in demand and price.

Difficulty of Market Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the NFT industry. A failure in the demand for its products to materialize as a result of competition, trends, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Demand for NFTs and Volatility.

NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online "collectibles," similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the demand for and value of NFTs may be prone to "boom and bust" cycles as popularity increases and subsequently subsides. The demand for the Company's products and services will correlate with the general NFT market conditions.

NFT Specific Fraud Risks

The growth in popularity of NFTs has resulted in prominent cybersecurity and fraud risks. NFT risks of replica stores that appear similar to original NFT stores with the same logo and content from authentic stores. Another prominent challenge associated with the risks and challenges related to NFTs in cybersecurity refers to fake NFT stores. The fake NFT stores could sell off NFTs which are not present in the first place. At the same time, buyers must also be wary of the concerns due to artist impersonation or counterfeit NFTs. Bad actors cam impersonate well known NFT artists and sell fake NFTs in their names. Other risks relates to copyright theft whereby the NFT creator is not the owner of the underlying copyrighted work.

Smart Contract Risks and NFT Maintenance

Smart contracts on the public blockchain network are susceptible to hackers. There have been instances where hackers were able to exploit the smart contract vulnerability of a blockchain network to alter transactions or re-direct transactions in favour of the hackers.

Although software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which NFT transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new NFTs or transactions, using such control.

The security procedures and operational infrastructure of the Company may be breached due to the actions of outside parties, error or malfeasance of an employee of the Company or otherwise, and, as a result, an unauthorized party may obtain access to the Company's infrastructure. Additionally, outside parties may attempt to fraudulently induce employees of the Company to disclose sensitive information in order to gain access to the infrastructure of the Company. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement adequate preventative measures.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based offerings and platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Reliance of Blockchain Technology

The Company will rely on blockchain technology to continue to function and carry out its operations as intended. The Company's business plan depends upon the growth and adoption of blockchain technology generally and NFTs, bitcoin and ethereum specifically. If industry participants determine that such crypto asset ecosystems are not effective protocols, due to security risks or other shortcomings, or if another technology emerges which is superior to the blockchain technology, then the value of the Company's products and services may fall or become worthless.

Limited History of the Blockchain and NFT Markets

Blockchain technology is a new technological innovation with a limited history. The use of NFTs for various purposes on blockchain networks commenced on in 2015. There is no assurance that usage of blockchain or NFTs will continue to grow. A contraction in the use of blockchain or NFTs may result in increased volatility and have an adverse impact on the success of the Company's blockchain-based and NFT offerings.

The risks associated with blockchain and NFT technologies may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain and NFT technologies. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation.

Timely Adaptation to Technology Innovations

The blockchain and telecommunications markets are experiencing rapid technological changes. Failure to anticipate technology innovations or adapt to such innovations in a timely manner, or at all, may result in the Company's products becoming obsolete at sudden and unpredictable intervals. To maintain the relevancy of the Company's products and services, the Company may invest in product and service planning and research and development. The process of developing and marketing new products and services is inherently complex and involves significant uncertainties. There are a number of risks, including the following: (a) the Company's product and service planning efforts may fail in resulting in the development or commercialization of new technologies or ideas; (b) the Company's research and development efforts may fail to translate new product and service plans into commercially feasible products; (c) the Company's new technologies or new products may not be well received by consumers; (d) the Company may not have adequate funding and resources necessary for continual investments in product planning and research and development; (e) the Company's products may become obsolete due to rapid advancements in technology and changes in consumer preferences; and (f) the Company's newly developed technologies may not be protected as proprietary intellectual property rights.

Any failure to anticipate the next-generation technology roadmap or changes in customer preferences or to timely develop new or enhanced products in response could result in decreased revenue and market share. In particular, the Company may experience difficulties with product design, product development, marketing or certification, which could result in excessive research and development expenses and capital expenditure, delays or prevent the Reporting Issuer's introduction of new or enhanced products and services. Furthermore, the Reporting Issuer's research and development efforts may not yield the expected results, or may prove to be futile due to the lack of market demand.

Risk of Regulatory Restrictions on NFTs

As NFTs have grown in both popularity and market size, governments around the world may reacted differently. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate. The effect of any future regulatory change with respect to the use of NFTs is impossible to predict, but any such change could be substantial and adverse to the Company.

By extension, similar actions by governments may result in the restriction of the acquisition, ownership, holding, selling, use or trading in NFTs. Any such restriction could result in decreased market demand for the Company's products and services, and may adversely affect the price of the Common Shares.

Status of NFTs as a "Security"

A particular NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Company is unable to properly characterize an NFT, the Company may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Company's business, operating results, and financial condition.

Irrevocability Digital Asset Transactions

Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets, such as NFTs, will not be reversible. To the extent that the Company is unable to effect a corrective transaction with a third party, or is incapable of identifying the recipient of its NFTs through error or theft, the Company will not be able to revert or otherwise recover any incorrectly transferred NFTs, or to convert or recover NFTs transferred to uncontrolled accounts.

Software and Intellectual Property

The Company's operations may rely on the use of proprietary and non-proprietary software, data and intellectual property of third parties. The operation of any electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Further, the Company's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the Company's products and services could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the underlying value or functionality of an NFT offered by the Reporting Issuer may adversely affect the value of the Reporting Issuer's products and services. Additionally, a meritorious intellectual property claim could prevent the Company and other end-users from accessing various networks or holding, using or transferring their NFTs.

Violation of Third Party Intellectual Property Rights

The only significant intellectual property rights are certain intellectual property the Company has in its products, and in other future products and solutions it develops. Although the Reporting Issuer is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on the Reporting Issuer business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Reporting Issuer's business, results of operations and financial condition.

Cybersecurity Risks

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects the Company or its service providers might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Dependence on Digital Keys

The loss or destruction of a private key required to access certain cryptocurrencies or digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset wallets could adversely affect the Company. Certain cryptocurrencies and digital wallets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet. Private keys typically must be safeguarded and kept private to prevent a third party from accessing the relevant cryptocurrencies and NFTs held in the wallet. If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company will be unable to access the cryptocurrencies and NFTs held in the wallet. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrencies and NFTs could materially and adversely affect the Company's operations.

Dependence on Cryptocurrency Exchanges

As the Companys transacts on the blockchain in connection with the sale of NFTs, the initial payment of the products will be in cryptocurrency. In this regard, the Company will be dependent on cryptocurrency exchanges and the fluctuation of the value of cryptocurrencies. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past few years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed cryptocurrency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Cryptocurrency is not covered by deposit insurance.

Transactions using cryptocurrency are not covered by deposit insurance, unlike banks and credit unions that provide guarantees or safeguards.

Uninsured or Uninsurable Risks.

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position.

Risk of A decline in the Adoption and Use of NFTs

Because NFTs are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset such as NFTs will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of NFTs and blockchain technologies could adversely affect the financial performance of the Company. In addition, there is no assurance that any particular NFT will maintain their value over the long term. Even if growth in the use of any NFT occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of NFTs into the retail and commercial markets may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for NFTs may be reduced and prevent the expansion of the networks to merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any NFT may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of the Company's assets and the value of any investment in the Common Shares.

Other Risks Relating to the Company's Business

Competition

The Company will compete with other NFT businesses. Any market participant with sufficient capital and know-how has the ability to compete with the Company's core businesses. As a result, the Company will face significant competition in the blockchain and NFT sectors. The Company's competitors may include other acquisition vehicles and major blockchain-based businesses worldwide which may have greater financial, technical and human capital than the Company, in addition to superior expertise and experience in the blockchain business.

The NFT market in which the Company competes requires continuous innovation and are highly competitive, rapidly evolving, subject to changing technology, shifting customer trends, competition for new content, and frequent introductions of new products and services. New competitors could launch new businesses in the Company's markets at a relatively low cost since technological and financial barriers to entry are relatively low. Some of the Company's current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, broader geographic scope, and larger marketing budgets, as well as substantially greater financial, technical, personnel, and other resources. The Company may also experience competition from smaller, newer competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if the Company's products are more effective than the products and services that the Company's competitors offer, potential customers might select competitive products and services in lieu of purchasing the Company's products and services. For these reasons, the Company may not be able to compete successfully against the Company's current and future competitors, which could negatively impact the Company's future sales and harm the Company's business and financial condition.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As the Company offers produces and services that are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Company's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents. No securities commission or regulatory authority has reviewed the accuracy of the information presented herein.

Schedule "E"

Interim Financial Statements of LG Labs
For the period ending October 31, 2021

LOOKING GLASS LABS LTD.

(formerly Bluknight Aquafarms Inc.)

Unaudited Condensed Interim Consolidated Financial Statements

Three months ended October 31, 2021 and 2020

Expressed in Canadian Dollars

(Expressed in Canadian Dollars)

	Note	October 31, 2021 $	(Audited) July 31, 2021 $
ASSETS			
CURRENT			
Cash		**7,160,507**	2,442
Accounts receivable		**16,520**	-
Digital assets	4	**283,220**	-
Prepaid expenses		**193,367**	-
		7,653,614	2,442
Non-current assets			
Equipment	5	**16,081**	-
Goodwill	3	**10,279,976**	-
Total Assets		**17,949,671**	2,442
LIABILITIES			
Accounts payable and accrued liabilities	6,9	**109,947**	44,755
Due to related parties	9	**90,132**	-
Income taxes payable		**15,785**	-
Loans payable	7,9	**40,000**	105,000
Accrued acquisition costs	3	**2,750,000**	-
		3,005,864	149,755
Non-current liabilities			
Contingent liabilities	3	**3,000,000**	-
Total Liabilities		**6,005,864**	149,755
SHAREHOLDERS' EQUITY			
Share capital	8	**6,711,899**	456,899
Reserves	8	**25,420**	-
Subscriptions received	8	**40,000**	-
Retained earnings (deficit)	8	**5,166,488**	(604,212)
		11,943,807	(147,313)
		17,949,671	2,442

Nature and continuance of operations (Note 1)
Subsequent Events (Note 15)

Approved by the board of directors and authorized for issue on December 15, 2021:

"Carl Chow"
Carl Chow, Director

"Patrick O'Flaherty"
Patrick O'Flaherty, Director

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

		Three months ended October 31, 2021	Three months ended October 31, 2020
Revenue			
NFT sales	13	$ 6,245,675	$ -
Royalty income	13	243,790	-
Miscellaneous income	13	7,398	-
Total Revenue		6,496,863	
Cost of Revenue		(321,073)	-
Gross Profit		6,175,790	-
Expenses			
Amortization	5	381	-
Consulting fees	9	47,721	5,617
Corporate service fees	9	60,545	-
Development costs		241,896	-
Marketing		77,137	-
Office expenses		22,404	18
Professional fees	9	36,380	6,762
Stock-based compensation		25,420	-
Transfer agent and filing fees	8	43,250	22
Wages and salaries		29,250	-
Operating Expenses		**$ (584,384)**	**$ (12,419)**
Other Items			
Acquisition costs	3	(225,000)	-
Gain on revaluation of digital assets	4	(3,135)	-
Gain on use of digital assets	4	402,429	-
Gain on settlement of debt	7	5,000	-
Total comprehensive income (loss)		**$ 5,770,700**	**$ (12,419)**
Net income (loss) per share:			
Basic		$ 0.10	$ (0.00)
Diluted		$ 0.10	$ (0.00)
Weighted average number of common shares outstanding:			
Basic		58,840,710	38,365,601
Diluted		58,840,710	38,365,601

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Unaudited Condensed Interim Consolidated Statement of Shareholders' Equity
For the three months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Share capital					
	Number of shares	Amount	Reserve	Obligation to issue shares	Retained Earnings (Deficit)	Total
Balance at July 31, 2020	**38,365,601**	**$ 507,422**	**$ -**	**$ -**	**$ (602,227)**	**$ (94,805)**
Loss for the period	-	-	-	-	(12,419)	(12,419)
Balance at October 31, 2020	**38,365,601**	**$ 507,422**	**$ -**	**$ -**	**$ (614,646)**	**(107,224)**
Balance at July 31, 2021	**34,545,601**	**$ 456,899**	-	-	**$ (604,212)**	**$ (147,313)**
Common shares issued for cash	21,100,000	1,510,000	-	-	-	1,510,000
Shares issued to acquire HOK (Note 3)	45,000,000	4,500,000	-	-	-	4,500,000
Shares issued for finder's fees (Note 3)	2,250,000	225,000	-	-	-	225,000
Shares issued to settle debt	200,000	20,000	-	-	-	20,000
Subscriptions received in advance of issuance of shares	-	-	-	40,000	-	40,000
Share-based compensation	-	-	25,420	-	-	25,420
Income for the period	-	-	-	-	5,770,700	5,770,700
Balance at October 31, 2021	**103,095,601**	**$ 6,711,899**	**$ 25,420**	**$ 40,000**	**$ 5,166,488**	**$ 11,943,807**

Looking Glass Labs Ltd.
(formerly Bluknight Aquafarms Inc.)
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the three months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Three months ended October 31, 2021	October 31, 2020
Operating activities		
Income (Loss) for the period	$ 5,770,700	$ (12,419)
Adjustments for non-cash items:		
Digital assets converted to fiat currency	6,516,226	-
Digital assets received for sales	(6,496,862)	-
Digital assets paid for services	232,114	-
Depreciation	381	-
Gain on use of digital assets	(402,429)	-
Revaluation of digital assets	3,135	-
Shares issued for acquisition costs	225,000	-
Share-based compensation	25,420	-
Gain on forgiveness of debts	(5,000)	-
Changes in non-cash working capital items:		
Amounts receivable	(15,891)	-
Prepaid expenses	(193,367)	-
Accounts payable and accrued liabilities	(17,367)	5,051
Due to related parties	(79,868)	-
Net cash flows provided by (used in) operating activities	5,562,192	(7,368)
Investing activities		
Loans receivable	(100,539)	-
Purchase of equipment	(14,146)	-
Cash acquired from acquisition of HOK	225,558	-
Net cash flows provided by investing activities	110,873	-
Financing activities		
Loans repaid	(65,000)	-
Proceeds from share issuances	1,510,000	-
Subscriptions received	40,000	-
Net cash flows provided by financing activities	1,485,000	-
Change in cash	7,158,065	(7,368)
Cash, beginning	2,442	14,660
Cash, ending	**$ 7,160,507**	**$ 7,292**

Other Supplementary Information

Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

1. Nature and continuance of operations

Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. On October 8, 2021, the Company changed its name from BluKnight Aquafarms Inc. to Looking Glass Labs Ltd. The Company changed its name to Bluknight Aquafarms Inc. on July 12, 2017. The Company specializes in the design, development, and sale of exclusive Non-Fungible Tokens ("NFT") using 3D design principles suitable for personal and commercial application in extended reality (XR) environments. The HOK studio provides utilities and platform tools that enable users to showcase their individual style and NFT collections within a proprietary metaverse.

The head office, principal address, records office and registered address of the Company are located at 810 – 789 West Pender Street, Vancouver BC.

The Company has only commenced earning revenue and does not have sufficient cash to meet its administrative overhead and service its obligations. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond twelve-month period. Management's plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations. If necessary, the Company will curtail discretionary spending.

These financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the three months ended October 31, 2021, the Company earned a net comprehensive income of $5,770,700 (2020 net loss - $12,419), and had retained earnings of $5,166,488 (July 31, 2021 accumulated deficit - $604,212) and working capital of $4,647,750 as at October 31, 2021 (July 31, 2021 working capital deficit –$147,313). The Company anticipates that although the Company has earned income since inception, losses can occur in the future. The Company's ability to continue as a going concern and meet its corporate objectives will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

2. Statement of compliance and significant accounting policies

These unaudited condensed interim consolidated financial statements were authorized for issue on December 15, 2021 by the directors of the Company.

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

2. Statement of compliance and significant accounting policies (continued)

These unaudited interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2021.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies have been applied consistently to all periods presented.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Name	Jurisdiction of incorporation	Interest
HOK Technologies Inc.	Canada	100%

All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments and estimates in applying the Company's condensed interim consolidated financial statements include:

Going concern
The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Digital assets
Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are should be accounted for as intangible assets in accordance with IAS 38 Intangible Assets.

2. Statement of compliance and significant accounting policies (continued)

Revenue recognition
Management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income, including whether contracts meet the definition of a contract within the scope of IFRS 15.

Digital currency valuation
Digital assets consist of cryptocurrency denominated assets (Note 4). Digital assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinbase.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

Stock-based compensation
The fair value of stock-based compensation requires estimates of assumptions that are used in the Black-Scholes option pricing model.

Business combinations
Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Recoverability of long-lived assets
The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess over the recoverable value is written off to profit or loss in the period the new information becomes available.

2. Statement of compliance and significant accounting policies (continued)

Estimated useful life of long-lived assets

Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit ("CGU") or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

The goodwill balance is assessed for impairment annually or when facts and circumstances indicate that it is impaired. Goodwill is tested for impairment at a CGU level by comparing the carrying value to the recoverable amount, which is determined as the greater of fair value less costs of disposal and value in use. Any excess of the carrying amount over the recoverable amount is the impaired amount. The recoverable amount estimates are categorized as Level 3 according to the fair value hierarchy. Impairment charges are recognized in the statement of comprehensive loss. Goodwill is reported at cost less any accumulated impairment. Goodwill impairments are not reversed.

Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit, or "CGU"). An impairment loss is recognized for the amount, if any, by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized, with the exception of goodwill and indefinite lived intangible assets.

Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in the statement of comprehensive loss.

2. Statement of compliance and significant accounting policies (continued)

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

New standards adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Business Combination

On September 29, 2021, the Company entered into a definitive share exchange agreement (the "Definitive Agreement") (the "Agreement") to acquire all of the issued and outstanding securities of HOK Technologies Inc. ("HOK") in consideration for 45,000,000 common shares of the Company (each a "Consideration Share") payable to the existing shareholders of HOK (the "Vendors").

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 calendar years ending December 31, 2021 and December 31, 2022. At October 31, 2021, HOK had achieved all revenue related milestones for the calendar year ended December 31, 2021, and the Company is obligated to pay the Vendors $750,000 and $2,000,000 of Earn-Out Shares. The Company has recorded the $2,750,000 earned as accrued acquisition costs.

The revenue-related milestones for the period commencing on January 1, 2022 and ending December 31, 2022 are either:

- $1,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $5,000,000 of revenue is achieved by HOK; or
- $2,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $10,000,000 of revenue is achieved by HOK.

The Company has recorded the fair value of the additional consideration for revenue milestones for the year ended December 31, 2022 as a contingent liability. The number of Earn-Out Shares issuable upon the achievement of revenue-related milestones 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.

(Expressed in Canadian Dollars)

3. Business Combination (continued)

In connection with the acquisition of HOK, the Company has also agreed to issue an aggregate of 200,000 common shares of the Company to extinguish certain of HOK's outstanding accounts payable. The Company agreed to pay a finder's fee of 2,250,000 common shares of the Company to certain qualified third parties in connection with the closing of the Acquisition. On September 30, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of HOK and the Company issued 47,450,000 common shares of the Company in connection with this acquisition.

The acquisition of HOK constituted a business combination as HOK met the definition of a business under IFRS 3 - Business Combinations.

Purchase price:	**$**
45,000,000 common shares	4,500,000
Contingent consideration	5,750,000
Total consideration paid	**10,250,000**
Cash	225,558
Accounts receivable	629
Digital assets	772,072
Equipment	2,316
Accounts payable and accrued liabilities	(87,559)
Income taxes payable	(15,785)
Deferred Revenue	(636,668)
Due to related parties	(190,000)
Advances payable	(100,539)
Net liabilities assumed	(29,976)
Goodwill	10,279,976
Total	**10,250,000**

The Company determined that HOK's technology and business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of HOK.

Advances payable include $100,539 that relates to working capital advanced to HOK by the Company.

During the period from October 1, 2021 to October 31, 2021, the Company recorded a net income of $6,226,899 in the Consolidated Statement of Loss and Comprehensive Loss in connection with HOK.

Net income for the Company would have been lower by approximately $162,943, for the period ended October 31, 2021, if the acquisition had taken place on August 1, 2021. In connection with this transaction, the Company also issued 2,250,000 common shares with a fair value of $0.10 per share as finders' fees. Finders' fees are considered acquisition costs under IFRS and are expensed through profit and loss. As a result, the $225,000 fair value of the finders' fee shares have been recorded as acquisition costs.

The accounting for this acquisition has been provisionally determined at October 31, 2021. The fair value of total consideration has been determined provisionally and subject to adjustment. Upon completion of a comprehensive valuation and finalization of the purchase price allocation, the amounts above may be adjusted retrospectively to the acquisition date in future reporting periods.

(Expressed in Canadian Dollars)

4. Digital Assets

Digital assets are recorded at their fair value on the acquisition date or when they are received as revenues and are revalued to their current market value at each reporting date. The fair value is determined using the spot rate based on the weighted average from www.coinbase.com on the date the tokens are received or recorded as a receivable.

Digital assets consist solely of Ethereum. Ethereum earned and transacted during the period was as follows:

	$	Ethereum
Balance, on acquisition at September 30, 2021	772,072	201.936
Digital assets received for revenues	5,860,194	1,393.058
Digital assets traded for cash	(6,516,226)	(1,486.250)
Digital assets paid for expenses	(232,114)	(55.434)
Gain on sale of digital assets	402,429	
Revaluation of digital assets	(3,135)	
Balance, October 31, 2021	283,220	53.308

i) During the three months ended October 31, 2021, the Company exchanged its Ethereum for cash, and other services totaling $6,748,340 with a cost of $6,345,911, which resulted in a realized gain on sale of $402,429.
ii) Digital assets held are revalued each reporting period based on the fair market value of the price of Ethereum on the reporting date. As at October 31, 2021, the price of Ethereum was $5,313 resulting in a revaluation loss of $3,135.

5. Property and Equipment

	Computer Equipment $
Cost	
Balance, July 31, 2021 and 2020	-
Additions	16,462
Balance, October 31, 2021	**16,462**
Accumulated amortization	
Balance, July 31, 2021 and 2020	-
Amortization	(381)
Balance, October 31, 2021	**(381)**
Net book values	
July 31, 2021	**-**
Balance, October 31, 2021	**16,081**

(Expressed in Canadian Dollars)

6. Accounts Payable and Accrued Liabilities

	October 31, 2021 $	July 31, 2021 $
Accounts payable	**79,447**	38,755
Accrued liabilities	**30,500**	6,000
	109,947	44,755

7. Loans Payable

During the year ended July 31, 2020, the Company received loans of $117,500 from a private company controlled by a former director (Note 9). The loans were unsecured, non-interest bearing and due on demand. During the same year, the Company repaid $12,500.

At July 31, 2021 and 2020, $105,000 in loans payable remained outstanding. During the three months ended October 31, 2021, the Company paid $100,000 and the remaining balance of $5,000 loan was forgiven and recorded as a gain on settlement of debt.

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At October 31, 2021 there were 103,095,601 (July 31, 2021 – 34,545,601) issued and fully paid common shares outstanding.

Share issuances

On September 15, 2021, the Company closed a non-brokered private placement of 7,500,000 units of the Company issued at a price of $0.02 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one share purchase 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.

On September 29, 2021, the Company issued 11,600,000 common shares of the Company issued at a price of $0.10 per common share in connection with a private placement.

On September 30, 2021, the Company issued 45,000,000 common shares of the Company with a fair value of $4,500,000 in consideration for the acquisition of HOK as described in Note 3.

On September 30, 2021, the Company issued 2,250,000 common shares of the Company with a fair value of $225,000 as finders fees for the acquisition of HOK as described in Note 3.

On September 30, 2021, the Company issued 200,000 common shares with a fair value of $20,000 to settle $20,000 of accounts payable.

(Expressed in Canadian Dollars)

8. Share capital (continued)

On October 7, 2021, the Company issued 2,000,000 common shares of the Company at a price of $0.10 per common share for proceeds of $20,000 in connection with a private placement.

During the period ending October 31, 2020, the Company did not issue any shares.

Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Warrants outstanding #	Exercise price $	Expiry date
Balance, July 31, 2020 and July 31, 2021	-	-	-
Granted	7,500,000	0.10	September 15, 2026
Balance, October 31, 2021	7,500,000	0.10	September 15, 2026

Details of warrants outstanding as at October 31, 2021 are as follows:

Exercise price	**Number of Warrants outstanding**	**Expiry date**
$0.10	7,500,000	September 15, 2026
	7,500,000	

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, employees and consultants to acquire up to 20% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years prior to listing on an exchange, and 10 years after being listed on an exchange. Vesting periods are determined by the Board of Directors.

On October 14, 2021, the Company granted incentive stock options officers and consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.10 per common share for up to five years. The options vest 1/3 every six months following the grant date. The grant date fair value of the options was measured at $446,482. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.10; exercise price - $0.10; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 1.18%.

The following is a summary of the Company's option activity for the three month period ended October 31, 2021. The Company did not have any stock options outstanding at July 31, 2021.

	Number of Options
Balance, July 31, 2020 and July 31, 2021	-
Issued	6,000,000
Outstanding, October 31, 2021	6,000,000

(Expressed in Canadian Dollars)

8. Share capital (continued)

Details of options outstanding as at October 31, 2021 are as follows:

Exercise price	Number of Options outstanding	Expiry date
$0.10	6,000,000	October 14, 2026
Total	6,000,000	

Restricted Stock Units

The Company has adopted a Restricted Stock Unit (“RSU”) plan (“RSU Plan”). The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company (“Participants”) who, in the judgment of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company’s stock option plan.

Under the terms of the plan, RSU’s are granted to Participants and the RSUs expire the earlier of 5 years from the date of vesting of the RSU and 10 years from the grant date. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company’s incentive stock option plan, shall not exceed up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans. As at October 31, 2021, no units were issued under the RSU plan.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars)

8. Share capital (continued)

Net income per share

	Three months ended October 31, 2021 $	Three months ended October 31, 2020 $
Net income (loss) attributable to common shareholders	5,770,700	(12,419)
Basic weighted average number of common shares outstanding	58,840,710	38,365,601
Effect of dilutive securities:		
Stock options	-	-
Warrants	-	-
Diluted weighted average number of common shares outstanding	58,840,710	38,365,601
Basic net income (loss) per common share	0.10	(0.00)
Diluted income (loss) per common share	0.10	(0.00)

9. Related parties

Related party balances
Amounts due to related parties:
The following amounts due to related parties are included in trade payables and accrued liabilities:

	October 31, 2021	July 31, 2021
A private company controlled by a former director of the Company	$ -	$ 36,876

The following amounts are included in amounts owed to related parties:

	October 31, 2021	July 31, 2021
Amounts owed to a shareholder of the Company	$ 19,630	$ -
A private company controlled by a former director of the Company	70,502	-
	$ 90,132	$ -

The following amounts are included in loans payable by the Company (Note 7):

	October 31, 2021	July 31, 2021
A private company controlled by a former director of the Company	$ 40,000	$ 105,000

The loans are unsecured, non-interest bearing and due on demand.

Related party transactions
During the three months ended October 31, 2021, the Company paid and/or accrued accounting, management and consulting fees of $25,175 (2020 - $11,130) to the Company's key management.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

(Expressed in Canadian Dollars)

10. Financial risk and capital management

(a) Fair value measurements:

Financial hierarchy:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:
Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly from observable market data; and
Level 3: Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at October 31, 2021 and July 31, 2021:

	As at October 31, 2021		
	Level 1	**Level 2**	**Level 3**
Cash	$ 7,160,507	$ -	$ -
Digital assets	$ -	$ 283,220	$ -

	As at July 31, 2021		
	Level 1	**Level 2**	**Level 3**
Cash	$ 2,442	$ -	$ -

Digital assets and risk management

Digital assets are measured using Level 2 fair values, determined by taking the rate from coinbase.com. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been relatively volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently solely consist of Ethereum. As October 31, 2021, had the market price of Ethereum increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to $28,322.

(b) Financial risk management:

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

(Expressed in Canadian Dollars)

10. Financial risk and capital management (continued)

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at October 31, 2021, the Company has cash of $7,160,507 (2020 - $2,442) and digital assets of $283,220 (July 31, 2021 - $Nil) available to apply against short-term business requirements and current liabilities of $3,005,864 (July 31, 2021 - $Nil).

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is exposed to market risk of its digital assets held. As at October 31, 2021, Management concludes the exposure to market risk is not material

11. Segmented information

The Company operates in a single reportable operating segment – the design, development, and sale of exclusive Non-Fungible Tokens in Canada.

12. Capital Management

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the year ended July 31, 2021. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

13. Revenues

The Company's main source of revenue is the sale of digital goods to customers.
The following is a break-down of revenues earned:

	2021	2020
	$	$
NFT Sales	**6,245,675**	-
Royalty income	**243,790**	-
Miscellaneous income	**7,398**	-
	6,496,863	10,578

14. Covid-19 Pandemic

In March 2020, the World Health Organization declared, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic. This has resulted in governments worldwide enacting emergency measures to limit the spread of the virus, including closure of non-essential businesses. As of the date of this report, the majority of the Company's operations are considered essential in all jurisdictions in which the Company operates. As such, to date the Company has been able to continue operating with no material impact to operations.

There have been no material revisions to the nature and number of estimates and judgments made in respect of the Company's consolidated financial statements of prior periods. However, the effects of COVID-19 have required significant judgements and estimates to be made in the preparation of the Company's consolidated financial statements.

Additionally, the effects of COVID-19 may require revisions to estimates of expected credit losses attributed to accounts receivable. To date no revisions to managements' estimates and judgements used in the preparation of the Company's consolidated financial statements have been necessary.

Due to rapid developments and uncertainty surrounding COVID-19 or the possible ending of COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's operations or financial results in the future, its suppliers, and its customers. Additionally, it is possible the Company's operations and consolidated financial results will change in the near term as a result of COVID-19 or the ending of COVID-19.

15. Subsequent events

On November 10, 2021, the Company completed a non-brokered private placement of 5,000,000 units of the Company (the "Units") issued at a price of $0.50 per Unit for gross proceeds of $2,500,000 (the "Offering"). Each Unit is comprised of one common share (a "Share") and one share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional Share for a period of 60 months at an exercise price of $1.25 per Share. The Company paid finder's fees of $15,900 in cash, issued 145,950 common shares and 31,800 in broker warrants. The Broker Warrants have been issued with the same terms as the Warrants.

Schedule "F"

Interim Financial MD&A of LG Labs
For the period ending October 31, 2021

Looking Glass Labs Ltd.
(formerly BluKnight Aquafarms Inc.)

Management's Discussion and Analysis

For the three months ended October 31, 2021

December 15, 2021

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended October 31, 2021, compared to the period ended October 31, 2020. This report prepared as December 15, 2021 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at October 31, 2021, and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements and accompanying notes for the year ended July 31, 2021, which have been prepared in accordance with International Financial Reporting Standards.

Our condensed interim consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Looking Glass Labs", we mean Looking Glass Labs Ltd. (formerly BluKnight Aquafarms Inc.) as it may apply.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Cautionary Statement on Forward Looking Information

The information provided in this MD&A, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under "Description of Business".

Specific forward-looking information contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- listing on the NEO Exchange;

- timelines;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the Company;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of the Company and its Subsidiaries;
- the historical lack of profitability of the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- the Company's operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;
- the requirements of being a public-traded company may strain the Company's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- the Company's business is reliant on blockchain technology;
- the continuing development and acceptance of NFTs and blockchain technology are subject to a variety of risks;

- regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of NFTs in a manner that adversely affects the Company's operations;
- an NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Company is unable to properly characterize an NFT, the Company may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Company's business, operating results, and financial condition;
- blockchain transactions are irrevocable and losses may occur;
- the Company's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- the Company's business is exposed to the potential misuse of NFTs and malicious actors;
- the business of the Company will be exposed to cybersecurity risks;
- digital wallets may be hacked;
- uninsured or uninsurable risks;
- a decline in the adoption and use of NFTs could materially and adversely affect the performance of the Company;
- the demand and prices of NFTs are extraordinarily volatile;
- political or economic crises may motivate large-scale sales of NFTs, which would result in a reduction in values and materially and adversely affect the Company;
- market adoption of NFTs and blockchain technology has been limited to date and further adoption is uncertain;
- the Company will have to adapt to respond to evolving security risks;
- the Company may be unable to obtain adequate insurance to insure its operations;
- intellectual property rights claims may adversely affect the operation of the Company's business;
- all active and liquid trading markets in the Company's common shares may fail to develop;
- the Company's compliance and risk management programs may not be effective;
- unexpected market disruptions may cause major losses for the Company;
- foreign exchange risk;
- the Company will depend on its senior management and directors to source suitable investment opportunities for the Company;
- managing different business lines could present conflicts of interest;
- operational risk may materially and adversely affect the Company's performance and results;
- the Company may not be effective in mitigating risk;
- the ongoing COVID-19 pandemic may have an adverse effect on the business of the Company;
- force majeure events may materially and adversely affect the business continuity of the Company;
- the Company will be reliant, in part, on attracting and retaining skilled management and directors;
- situations may arise where the directors and/or officers of the Company may be in competition with the Company and may have interests that conflict with, or differ from, the Company's interests;
- the Company may be subject to litigation; and
- the other factors discussed under the heading "Risk Factors".

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the companies in which it is invested, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management of Company currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this MD&A and, other than as specifically required by law, Company does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Consequently, all forward-looking statements made in this MD&A and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Company's actual results achieved could vary from the information provided in this MD&A, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Company that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and the Company does not undertake any obligation, except as required by Applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

OVERVIEW AND DESCRIPTION OF BUSINESS

Description of Business

The Company 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.

COMPANY HIGHLIGHTS

On August 30, 2021, the Company announced the appointment of Dorian Banks as Chief Executive Officer of the Company and the appointment of Francis Rowe as Chief Financial Officer of the Company. Mr. Gregory Baron resigned as a Director and as the Chief Executive Officer of the Company. Ms. Jessica Ross has resigned as the Chief Financial Officer of the Company.

On September 15, 2021, the Company announced the appointment of Adam Deffett to the Board of Directors.

COMPANY HIGHLIGHTS (CONTINUED)

On September 29, 2021, the Company 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.

On September 30, 2021, the Company closed a definitive share exchange agreement (the "Definitive Agreement") (the "Agreement") to acquire all of the issued and outstanding securities of HOK Technologies Inc. ("HOK") in consideration for 45,000,000 common shares of the Company (each a "Consideration Share") payable to the existing shareholders of HOK (the "Vendors").

HOK specializes in the creation of exclusive non-fungible tokens for extended real. 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 Vendors are eligible to earn additional Consideration Shares (the "Earn-Out Shares") upon realization of certain revenue-related milestones achieved by HOK for the calendar years ending December 31, 2021 and December 31, 2022. At October 31, 2021, HOK had achieved all revenue related milestones for the calendar year ended December 31, 2021, and the Company is obligated to pay the Vendors $750,000 (paid) and $2,000,000 of Earn-Out Shares.

The revenue-related milestones for the period commencing on January 1, 2022 and ending December 31, 2022 are either:

- $1,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $5,000,000 of revenue is achieved by HOK; or
- $2,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $10,000,000 of revenue is achieved by HOK.

The number of Earn-Out Shares issuable upon the achievement of revenue-related milestones 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 of the Company to extinguish certain of HOK's outstanding accounts payable. The Company agreed to pay a finder's fee of 2,250,000 common shares of the Company to certain qualified third parties in connection with the closing of the Acquisition. On September 30, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of HOK and the Company issued 47,450,000 common shares of the Company in connection with this acquisition.

On October 8, 2021, change its name to Looking Glass Labs Ltd. 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.

On October 7, 2021, the Company 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.

On October 14, 2021, the Company announced the appointment of Mr. Patrick O'Flaherty to the Board of Directors of the Company. Eugene Beukman resigned from its Board of Directors. The Company also 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.

COMPANY HIGHLIGHTS (CONTINUED)

On October 14, 2021, the Company announced that its flagship studio for non-fungible tokens House of Kibaa recently conducted the successful sale of a class of NFTs known as GenZeroes. 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 from the sale was approximately $6,200,000.

Additionally, the Company 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 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.

On October 25, 2021, the Company announced that it has entered into an arrangement with YNG DNA – an American fashion label founded by Zaire Wade, the son of basketball superstar Dwayne Wade – in which LG Labs' House of Kibaa studio has produced a special 12-piece collection of non-fungible tokens to be distributed randomly among an assortment of NFTs bundled into virtual packages.

On November 10, 2021, the Company completed a non-brokered private placement of 5,000,000 units of the Company (the "Units") issued at a price of $0.50 per Unit for gross proceeds of $2,500,000 (the "Offering"). Each Unit is comprised of one common share (a "Share") and one share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional Share for a period of 60 months at an exercise price of $1.25 per Share. The Company paid finder's fees of $15,900 in cash, issued 145,950 common shares and 31,800 in broker warrants. The Broker Warrants have been issued with the same terms as the Warrants.

On November 17, 2021, the Company announced that its flagship studio, HoK has listed all 10,000 of its GenX NFTs on Rarity Tools ("Rarity"), which is the leading global index of NFTs. Rarity is a website dedicated to ranking generative art and collectible NFTs by rarity, as determined by a proprietary algorithm.

On December 1, 2021, the Company announced that it is currently creating metaverse ready three-dimensional assets in collaboration with the well known NFT collections of Gutter Cat Gang and Bored Ape Yacht Club, in addition to the ongoing development of HoK's proprietary NFT collections.

The Company is also pleased to announce that it is spearheading the architecture and design of Gutter Cat Gang's Mansion, which is planned to be a virtual metaverse-based clubhouse for holders of Gutter Cat Gang NFTs. HoK is providing creative services to prepare certain Gutter Cat Gang characters for integration into an avatar system that enables their use in a 3D metaverse. For more information about Gutter Cat Gang, please refer to the following web page: https://guttercatgang.com/

HoK has also completed a proof-of-concept for metaverse-ready 3D assets that are compatible with the Bored Ape Yacht Club collection of NFTs. Any holder of a two-dimensional Bored Ape Yacht Club NFT is expected to be able to utilize the equivalent 3D asset developed by HoK. For more information about Bored Ape Yacht Club, please refer to the following web page:
https://boredapeyachtclub.com/#/

OVERALL PERFORMANCE

At October 31, 2021, the Company had retained earnings of $5,166,488 (July 31, 2021 accumulated losses - $604,212) since its inception, and has working capital of $4,647,750 (July 31, 2021 working capital deficit - $147,313). The Company generated net income of $5,770,700 for the three months ending October 31, 2021 (2020 net losses – $12,419). The Company was provided $5,562,192 of cash (2020 used cash of $7,368) in operating activities and raised a net of $1,485,000 cash (2020 - $Nil) from financing activities.

RESULTS OF OPERATIONS

For the three-month period ended October 31, 2021, the Company generated income of $5,770,700 compared to a loss of $12,419 in the comparative period. The increase in net income was mainly as a result of the acquisition of HOK during the period ended October 31, 2021 which generated $6,496,863 (2020 - $Nil) of revenue and costs of revenue of $321,073 (2020 - $Nil).

Revenue consisted of $6,245,675 from the sale of a class of NFTs known as GenZeroes. In just 37 minutes, all 10,000 of HoK's GenZeroes were sold and subsequently delivered to more than 3,000 unique blockchain wallets. Additionally, the Company is entitled to collect a percentage royalty of the gross amount of any and all NFTs and memberships re-sold in the secondary market in perpetuity, through a royalty provision encoded into each smart blockchain contract. During the three month ended October 31, 2021, the Company earned $243,790 of royalty revenue as result of memberships and NFTs re-sold in the secondary market.

Some of the significant charges to operations are as follows:

- Consulting fees of $47,721 (2020 - $5,617) were charged as the Company engaged consultants to assist in the execution of the Company's business plan. This increased during 2021 as a result of the acquisition of HOK and the increased operations associated with the new business.
- Corporate service fees of $60,545 (2020 - $nil) increased in 2021 as a result of increased corporate activity including the acquisition of HOK.
- Development costs of $241,896 (2020 - $Nil) increased in 2021 as a result of development costs incurred to develop NFTs and HOK's metaverse. The Company had no such costs prior to the acquisition of HOK
- Marketing fees of $77,137 (2020 - $Nil) were paid to marketing companies which increased in 2021 as the Company began to increase in the awareness campaigns related to its operations.
- Professional fees of $36,380 (2020 - $6,762) increased as legal and accounting fees increased as a result of the additional accounting and legal costs associated with the acquisition of HOK and the increased operations associated with it.
- Salaries increased to $29,250 (2020 - $Nil) as the Company hired employees in 2021 to advance its business operations. The Company had no employees in 2020.
- Share-based compensation of $25,420 (2020 - $Nil) increased as a result of the grant of 6,000,000 stock options on October 14, 2021. The Company did not grant any options during the comparative period.
- Transfer agent and filing fees of $43,250 (2020 - $22) as the Company had more activity in 2021 which resulted in additional filings and fees.
- The Company incurred acquisition costs of $225,000 during 2021 (2020 - $Nil). The Company issued 2,250,000 common shares for finders fees as part of the acquisition of HOK.
- The Company incurred a gain on use of digital assets of $402,429 during 2021 (2020 - $Nil). During the three months ended October 31, 2021, the Company exchanged its Ethereum for cash, and other services totaling $6,748,340 with a cost of $6,345,911, which resulted in a realized gain on sale of $402,429. The Company did not own or use any digital assets in 2020.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Income (Loss) for the period	Income (Loss) per Share (Basic & Diluted)	Total Assets
October 31, 2021	$5,770,700	$0.10	$17,949,671
July 31, 2021	($13,541)	($0.00)	$2,442
April 30, 2021	($11,043)	($0.00)	$2,460
January 31, 2021	($15,505)	($0.00)	$2,478
October 31, 2020	($12,419)	($0.00)	$7,292
July 31, 2020	($11,309)	($0.00)	$14,660
April 30, 2020	($12,568)	($0.00)	$850
January 31, 2020	($13,145)	($0.00)	$12,287

SUMMARY OF QUARTERLY RESULTS - DISCUSSION

For the quarters ended from January 1, 2020 to July 31, 2021, net loss and net loss per share remained consistent as the Company was focused on minimizing overhead. Total assets increased slightly as a result of loans received during the quarters ended January 31, 2020 and July 31, 2020.

The net income and net income per share during the quarter ended October 31, 2021 was a result of the acquisition of HOK. During the period ended October 31, 2021 HOK generated $6,496,863 of revenue. Net assets increased mainly as a result of an increase, in cash, digital assets and goodwill. Cash increased as a result of proceeds from sales and equity issuances. Digital assets increased as a result of proceeds from sales. Goodwill was recorded as result of the acquisition of HOK during the quarter.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management since the year ended July 31, 2021. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

The Company's working capital position at October 31, 2021 was a $4,647,750 (July 31, 2021 working capital deficiency - $147,313) including cash of $7,160,507 (July 31, 2021 - $2,442). As at October 31, 2021, the Company owed loans of $40,000 (July 31, 2021 - $105,000) to a non-arm's length party. The Company also owed $2,750,000 of contingent consideration earned as part of the HOK acquisition. The loans are unsecured, non-interest bearing and due on demand.

RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Dorian Banks – CEO
Francis Rowe – CFO
Neil Stevenson-Moore – CPO
Jason Nguyen - CCO
Patrick O'Flaherty - Director
Adam Deffett – Director
Carl Chow - Director

Recent director resignations:
Troy Grant – Director
Eugene Beukman - Director
Gregory Baron – former Director, President and CEO
Jessica Ross – former CFO

TRANSACTIONS WITH RELATED PARTIES

Amounts due to related parties:
The following amounts due to related parties are included in trade payables and accrued liabilities:

		October 31, 2021		July 31, 2021
A private company controlled by Eugene Beukman a former director of the Company	$	-	$	36,876

The following amounts are included in amounts owed to related parties:

		October 31, 2021		July 31, 2021
Amounts owed to Jason Nguyen, CCO	$	19,630	$	-
A private company controlled by Eugene Beukman a former director of the Company		70,502		-
		$ 90,132	$	-

The following amounts are included in loans payable by the Company:

		October 31, 2021		July 31, 2021
A private company controlled by Eugene Beukman a former director of the Company	$	40,000	$	105,000

The loans are unsecured, non-interest bearing and due on demand.

Related party transactions
During the three months ended October 31, 2021, the Company paid and/or accrued accounting, management and consulting fees of $4,175 (2020 - $11,130) to companies controlled by Eugene Beukman a former director of the Company, $10,500 (2020 - $Nil) to Jason Nguyen, CCO, $5,000 to Dorian Banks, $4,000 to Francis Rowe and $1,500 to Patrick O'Flaherty.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

There is no material proposed transactions to report on.

SIGNIFICANT JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's statements include:

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Digital assets are considered to be an identifiable non-monetary asset without physical substance. Management has determined that the digital assets are should be accounted for as intangible assets in accordance with IAS 38 Intangible Assets.

Management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income, including whether contracts meet the definition of a contract within the scope of IFRS 15.

Digital assets consist of cryptocurrency denominated assets. Digital assets are carried at their fair market value determined by the spot rate based on the hourly volume weighted average from www.coinbase.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital assets.

The fair value of stock-based compensation requires estimates of assumptions that are used in the black-scholes option pricing model.

Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess over the recoverable value is written off to profit or loss in the period the new information becomes available.

SIGNIFICANT JUDGEMENTS (CONTINUED)

Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess over the recoverable value is written off to profit or loss in the period the new information becomes available.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended July 31, 2021, including the new accounting standards adopted by the Company discussed below.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

FINANCIAL INSTRUMENTS AND RISKS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly from observable market data; and
Level 3: Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at October 31, 2021 and July 31, 2021:

	As at October 31, 2021		
	Level 1	**Level 2**	**Level 3**
Cash	$ 7,160,507	$ -	$ -
Digital assets	$ -	$ 283,220	$ -

	As at July 31, 2021		
	Level 1	**Level 2**	**Level 3**
Cash	$ 2,442	$ -	$ -

Digital assets and risk management

Digital assets are measured using Level 2 fair values, determined by taking the rate from coinbase.com.

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been relatively volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently solely consist of Ethereum. As October 31, 2021, had the market price of Ethereum increased or decreased by 10% with all other variables held constant, the corresponding digital assets value increase or decrease respectively would amount to $28,322.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at October 31, 2021, the Company has cash of $7,160,507 (2020 - $2,442) and digital assets of $283,220 (July 31, 2021 - $Nil) available to apply against short-term business requirements and current liabilities of $3,005,864 (July 31, 2021 - $Nil).

FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is exposed to market risk of its digital assets held. As at October 31, 2021, Management concludes the exposure to market risk is not material

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings.

Additional share information

At the date of this MD&A the Company had the following number of securities issued and outstanding:

Securities	Number
Common shares	108,095,601
Options	6,000,000
Warrants	7,500,000
Fully diluted share capital	**121,595,601**

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

RISKS AND UNCERTAINITIES

COVID-19 Outbreak Risks

The Company's business, operations and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics and or other health crises, such as the outbreak of COVID-19. The current COVID-19 global health pandemic is significantly impacting the global economy, including commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and, to date, has included volatility in financial markets, volatility in commodity prices (including precious metals), significant restrictions on travel, temporary business closures, quarantines, and a general reduction in economic and consumer activity, globally, all of which raise concern about a prolonged global recession. In addition, the COVID-19 outbreak may result in operating, supply chain and project development delays which may have material adverse effects on the operations of third parties in which the Company has an interest. Such third party operations may be suspended for precautionary purposes, or due to the imposition of emergency measures or other government action to combat the spread of COVID-19. If the operation or development of one or more third party businesses in which the Company holds an interest is suspended, it may have a material adverse impact on the Company's results of operations and financial condition, or on the trading price of the Company's securities.

Additional pandemic-related risks to Company's business include without limitation, the risk of breach of material contracts, employee health, workforce productivity, limitations on travel, the availability of industry experts and personnel, unknown adverse global public health developments, and other factors beyond the Company's control, any of which may have a material and adverse effect on the Company's business, financial condition, results of operations, and securities.

As at the date of this MD&A, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the COVID-19 outbreak persists for an extended period of time.

The Market price of the Common Shares may experience significant volatility

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

Market Acceptance

The operating results of the Reporting Issuer's business is subject to the market acceptance of the HOK Products and Services. If the HOK Products and Services do not gain market acceptance, its operating results may be negatively affected. If the markets for the HOK Products and Services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its products; (ii) develop new products or services; or (iii) complete new products and services currently under development. If the HOK Products and Services are not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

The growth of the NFT market and the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which will be in similar businesses as those of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

The Company has a Limited Operating History

The Company has a very limited history of operations and is in the early stage of operations. As such, the Company will be subject to many risks common to such enterprise including, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance that the Company will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Company generated a net loss of $52,508 and a net loss of $60,458 for the years ended July 31, 2021 and 2020. The Company's accumulated deficit as of July 31, 2021 was $604,212. The Company intends to continue to expend significant funds to develop its business. As the Company grows, the Company expects the aggregate amount of these expenses will also continue to grow. The Company has no source of operating cash flow and there is no assurance that sufficient funding will be available in the future. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments.

The Company's efforts to grow the business may be more costly than expected and the Company may not be able to increase its revenue enough to offset higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Company's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Company's future expenses and its ability to generate revenue. If the Company continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Company's stockholders' equity and working capital. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Company's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Company's value may also cause investors to lose all or part of their investment.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no sustained history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.
Attracting and Retaining Key Personnel

The Company may be unable to attract or retain key personnel with sufficient experience, and the Company may be unable to attract, develop and retain additional employees required for the Company's development and future success. The Company's success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of the Company's key personnel.

Ability to Secure Adequate Sources of Funding

The continued development of the Company's business will require additional financing and there is no assurance that the Company will obtain the financing necessary to be able to achieve its business objectives. The Company's ability to obtain additional financing will depend on investor demand, the Company's performance and reputation, market conditions and other factors. The Company's inability to raise such capital could result in the delay or indefinite postponement of the Company's current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

In addition, from time to time, the Company may enter into transactions to acquire assets. The Company's continued growth may be financed, wholly or partially, with debt, which may increase the Company's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Company's assets, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Risk Management Efforts May Not Be Effective

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

Dependence on Third Party Relationships

The Company may become highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.
Tax and Accounting Changes

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, or the manner in which the Company conducts its business. The Company may expand its operations into foreign jurisdictions in the future. These operations, and any expansion thereto, will require the Company to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to fail to comply.

Additional Costs to Maintain Public Listing

The Company is a reporting issuer and incurs significant legal, accounting and other expenses. The Company will incurs increased costs as a result of operating as a publicly-traded company and its management will be required to devote substantial time to compliance. In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Company's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Company with complying with these requirements. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public Company required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Being a public Company and complying with applicable rules and regulations will make it more expensive for the Company to obtain director and officer liability insurance, and the Company will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified executive officers and board members.

Internal Controls

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Company does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Company and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Investor Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Dividends

The Company has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes or shifts in political attitude towards blockchain technology in certain countries may adversely affect the Company's business.

Going Concern Assumption

The financial statements of the Company and HOK have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company and HOK will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company and HOK, and therefore the Company's continuation as a “going concern” is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company’s ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the “going concern” assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Need to Manage Growth

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company’s administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company’s business, operations and operating results and financial condition may be materially adversely affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company requires significant access to credit for business expansion. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Minority Shareholder Risk

Insiders of the Company own approximately >16% of the Company’s outstanding Common Shares. Accordingly, insiders of the Company will likely be able to exercise effective control over all matters requiring the approval of the Common Shareholders, including the election of directors and significant corporate transactions.

Regulatory Risks

The business and activities of the Company may be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Company may be subject to various laws, regulations and guidelines by governmental authorities, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company’s products and services. The Company’s business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. Although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company’s ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Company’s current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Company.

Permits and Licenses

The Company believes it currently has all permits and licences that are necessary to carry on its business. It may require additional licences or permits in the future and there can be no assurance that we will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

Changes in Laws, Regulations and Guidelines

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Company is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation can be recovered from the Company's insurance policy.

Foreign and Crypto Currency Exchange Risk

The Company is a Canadian company, and a material amount of its expenses and fund raising is done in Canadian dollars. Certain of the expenses of the Company may be denominated in U.S. dollars and the initial revenues generated from the sale of NFT products will be in Ethereum. As a result, the Company is subject to foreign and cryptocurrency exchange risks relating to the relative value of the U.S. dollar or Ethereum compared to the Canadian dollar. A decline in the U.S. dollar or Ethereum would result in a decrease in the real value of the Company's revenues and adversely impact financial performance.

General Blockchain and NFT Risks

Valuation of NFTs

The Company will offer, hold, or have funds associated with NFTs. NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online "collectibles," similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the value of NFTs may be prone to "boom and bust" cycles as popularity increases and subsequently subsides. Certain metadata pertaining to NFTs may be stored "offchain," i.e., not on a decentralized digital asset network. If the entity behind an NFT project ceases hosting relevant metadata relating to NFTs, such NFTs may become worthless. If any of these events were to occur, it could adversely affect the value of certain of the Company's future strategies. In addition, because NFTs generally rely on the same types of underlying technologies as digital assets, most risks applicable to digital assets (including phishing, hacking, blockchain risks) are also applicable to NFTs and hence any investment into NFTs will be subject to general digital assets risks as described elsewhere in these risk factors.

There is uncertainty in determining the value of NFTs when the Company introduces an NFT collection to the market. The valuation of NFTs depends considerably on uniqueness, scarcity and the perception of owners and buyers alongside the availability of distribution channels. It is extremely difficult to anticipate the possible factors which can drive a potential buyer's purchase. Therefore, the value of NFTs would basically depend on how the buyer perceives the NFT in terms of desirability, thereby leading to fluctuations in demand and price.

Difficulty of Market Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the NFT industry. A failure in the demand for its products to materialize as a result of competition, trends, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Demand for NFTs and Volatility.

NFTs are unique, one-of-a- kind digital assets made possible by certain digital asset network protocols. Because of their non-fungible nature, NFTs introduce digital scarcity and have become popular as online "collectibles," similar to physical rare collectible items, such as trading cards or art. Like real world collectibles, the demand for and value of NFTs may be prone to "boom and bust" cycles as popularity increases and subsequently subsides. The demand for the Company's products and services will correlate with the general NFT market conditions.

NFT Specific Fraud Risks

The growth in popularity of NFTs has resulted in prominent cybersecurity and fraud risks. NFT risks of replica stores that appear similar to original NFT stores with the same logo and content from authentic stores. Another prominent challenge associated with the risks and challenges related to NFTs in cybersecurity refers to fake NFT stores. The fake NFT stores could sell off NFTs which are not present in the first place. At the same time, buyers must also be wary of the concerns due to artist impersonation or counterfeit NFTs. Bad actors cam impersonate well known NFT artists and sell fake NFTs in their names. Other risks relates to copyright theft whereby the NFT creator is not the owner of the underlying copyrighted work.

Smart Contract Risks and NFT Maintenance

Smart contracts on the public blockchain network are susceptible to hackers. There have been instances where hackers were able to exploit the smart contract vulnerability of a blockchain network to alter transactions or re-direct transactions in favour of the hackers.

Although software is being developed to curtail speculative and malicious activities, there can be no assurance that those measures will sufficiently deter those and other illicit activities in the future. Advances in technology, such as quantum computing, could lead to a malicious actor or botnet (a voluntary or hacked collection of computers controlled by networked software coordinating the actions of the computers) being able to alter the blockchain on which NFT transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, or generate new NFTs or transactions, using such control.

The security procedures and operational infrastructure of the Company may be breached due to the actions of outside parties, error or malfeasance of an employee of the Company or otherwise, and, as a result, an unauthorized party may obtain access to the Company's infrastructure. Additionally, outside parties may attempt to fraudulently induce employees of the Company to disclose sensitive information in order to gain access to the infrastructure of the Company. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event, and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or implement adequate preventative measures.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based offerings and platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Reliance of Blockchain Technology

The Company will rely on blockchain technology to continue to function and carry out its operations as intended. The Company's business plan depends upon the growth and adoption of blockchain technology generally and NFTs, bitcoin and Ethereum specifically. If industry participants determine that such crypto asset ecosystems are not effective protocols, due to security risks or other shortcomings, or if another technology emerges which is superior to the blockchain technology, then the value of the Company's products and services may fall or become worthless.

In particular, current NFT offerings by HOK rely on the Ethereum decentralized network to create, sell and transfer NFTs. Ethereum is a decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform. The platform allows anyone to deploy permanent and immutable decentralized applications onto it, with which users can interact. In this regard, Ethereum allows for the creation, exchange and application of NFTs. In the event that the Ethereum network is not available to the Company on a temporary or permanent basis, such event will adversely affect the Company's business of creating NFTs and offering its products.

Limited History of the Blockchain and NFT Markets

Blockchain technology is a new technological innovation with a limited history. The use of NFTs for various purposes on blockchain networks commenced on in 2015. There is no assurance that usage of blockchain or NFTs will continue to grow. A contraction in the use of blockchain or NFTs may result in increased volatility and have an adverse impact on the success of the Company's blockchain-based and NFT offerings.

The risks associated with blockchain and NFT technologies may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain and NFT technologies. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation.

Timely Adaptation to Technology Innovations

The blockchain and telecommunications markets are experiencing rapid technological changes. Failure to anticipate technology innovations or adapt to such innovations in a timely manner, or at all, may result in the Company's products becoming obsolete at sudden and unpredictable intervals. To maintain the relevancy of the Company's products and services, the Company may invest in product and service planning and research and development. The process of developing and marketing new products and services is inherently complex and involves significant uncertainties. There are a number of risks, including the following: (a) the Company's product and service planning efforts may fail in resulting in the development or commercialization of new technologies or ideas; (b) the Company's research and development efforts may fail to translate new product and service plans into commercially feasible products; (c) the Company's new technologies or new products may not be well received by consumers; (d) the Company may not have adequate funding and resources necessary for continual investments in product planning and research and development; (e) the Company's products may become obsolete due to rapid advancements in technology and changes in consumer preferences; and (f) the Company's newly developed technologies may not be protected as proprietary intellectual property rights.

Any failure to anticipate the next-generation technology roadmap or changes in customer preferences or to timely develop new or enhanced products in response could result in decreased revenue and market share. In particular, the Company may experience difficulties with product design, product development, marketing or certification, which could result in excessive research and development expenses and capital expenditure, delays or prevent the Reporting Issuer's introduction of new or enhanced products and services. Furthermore, the Reporting Issuer's research and development efforts may not yield the expected results, or may prove to be futile due to the lack of market demand.
Risk of Regulatory Restrictions on NFTs

As NFTs have grown in both popularity and market size, governments around the world may reacted differently. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate. The effect of any future regulatory change with respect to the use of NFTs is impossible to predict, but any such change could be substantial and adverse to the Company. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade digital assets, or to exchange digital assets for fiat currency. These government actions may result in the restriction of the acquisition, ownership, holding, selling, use or trading in NFTs. Any such restriction could result in decreased market demand for the Company's products and services, and may adversely affect the price of the Common Shares.

Risk of Dependency on the Future Regulatory Environment in the United States and elsewhere

It is likely that the ability to conduct business in the United States and with U.S. customers will be critical to the Company's products and services.

Notwithstanding that U.S. legislators and regulators generally express support for innovation in financial markets and products, they have arguably not moved quickly to clarify the status of cryptocurrencies and other digital assets under U.S. laws, especially securities, commodities, banking and money-transmitter laws, or to accommodate proposals for new businesses or offerings. In recent years, the U.S. Securities and Exchange Commission (the "SEC"), the United States' primary securities and financial markets regulator, has taken noteworthy actions to, among other things, sanction many issuers of digital tokens, reject applications for crypto-related exchange-traded funds and suggest that bitcoin and other digital assets are not suitable holdings for traditional investment funds. It is impossible to predict what directions U.S. regulation might take in the future in respect to NFTs, which depend among other things on agency priorities and budgets, agency personnel turnover and appointments following presidential elections, legislation, judicial decisions, public perception and economic conditions. There can be no assurance that U.S. regulation will advance in a way that is favorable for the Company.

In the event that the Company conducts business in other jurisdictions other than the U.S. and Canada, it will be required to comply with applicable regulatory requirements in those jurisdictions which could be as onerous or more onerous than those of the U.S.

Status of NFTs as a "Security"

A particular NFT's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if the Company is unable to properly characterize an NFT, the Company may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect the Company's business, operating results, and financial condition.

Although recent years have seen some guidance emerge with respect to the question of whether a digital asset constitutes a security for certain purposes under Canada and U.S. law, there remains little or no clear legal authority or established practice with respect to the application to digital assets of concepts like fungibility, settlement, clearing, trade execution and reporting, collateralization, rehypothecation, custody, repo, margin, restricted securities, short sales, bankruptcy and insolvency and many others. Some or all of these concepts may be needed for crypto-related marketplaces to continue to grow, mature and attract institutional participants; there can be no assurances that rules and practices for such concepts will develop in Canada and the United States in a manner that is timely, clear, favorable to the Company or compatible with other jurisdictions' regimes.

There have been a number of proceedings and investigations conducted by securities authorities regarding digital assets and initial coin offerings but none on NFTs in particular. Due to the lack of direct guidelines relating to NFTs, a registered broker-dealer sent a petition to the SEC in April 2021 requesting that the SEC publish a concept release on the regulation of NFTs and propose rules to address when NFTs are securities. The petition echoed unofficial comments made by the SEC's Commissioner Hester Pierce who warned people to be cautious selling fractionalized NFTs. She pointed out that the main concept of NFTs is that they are non-fungible and therefore less likely to be a security. However, she added that whether NFTs qualify as securities would largely depend on their use. The SEC's view appears to be that since NFTs lose their uniqueness when they are fractioned, they are more likely to qualify as "securities".

If Ethereum, or any other supported digital asset such as an NFT, is deemed to be a security under any Canadian provincial, U.S. federal, state, or foreign jurisdiction, or in a proceeding in a court of law or otherwise, it may have adverse consequences for such supported digital asset and would have a material and adverse effect on the Company and its business and prospectus. For instance, all offerings in such supported digital asset would have to be registered with the applicable Canadian provincial securities authorities, SEC or other foreign authority, or conducted in accordance with an exemption from registration, which could severely limit its liquidity, usability and transactability. Moreover, the networks and platforms such as the Company's on which such supported digital assets are utilized may be required to be regulated as securities intermediaries, and subject to applicable rules, which could effectively render the network impracticable for its existing purposes. Further, it could draw negative publicity and a decline in the general acceptance of the digital asset. Also, it may make it difficult for such supported digital asset to be traded, cleared, and custodied as compared to other digital asset that are not considered to be securities.

Irrevocability Digital Asset Transactions

Digital asset transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of digital assets, such as NFTs, will not be reversible. To the extent that the Company is unable to effect a corrective transaction with a third party, or is incapable of identifying the recipient of its NFTs through error or theft, the Company will not be able to revert or otherwise recover any incorrectly transferred NFTs, or to convert or recover NFTs transferred to uncontrolled accounts.

Software and Intellectual Property

The Company's operations may rely on the use of proprietary and non-proprietary software, data and intellectual property of third parties. The operation of any electronic platform, may be severely and adversely affected by the malfunction of technology. For example, an unforeseen software or hardware malfunction could occur as a result of a virus or other outside force, or as result of a design flaw in the design and operation of the network or platform. Further, the Company's software, hardware, data or other intellectual property is found to infringe on the rights of any third party, the underlying value of the Company's products and services could be materially and adversely affected. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the underlying value or functionality of an NFT offered by the Reporting Issuer may adversely affect the value of the Reporting Issuer's products and services. Additionally, a meritorious intellectual property claim could prevent the Company and other end-users from accessing various networks or holding, using or transferring their NFTs.

Violation of Third Party Intellectual Property Rights

The only significant intellectual property rights are certain intellectual property the Company has in its products, and in other future products and solutions it develops. Although the Reporting Issuer is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on the Reporting Issuer business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Reporting Issuer's business, results of operations and financial condition.

Cybersecurity Risks

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users). A cyber incident that affects the Company or its service providers might cause disruptions and adversely affect their respective business operations, and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

Dependence on Digital Keys

The loss or destruction of a private key required to access certain cryptocurrencies or digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to its cryptocurrency or digital asset wallets could adversely affect the Company. Certain cryptocurrencies and digital wallets are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet. Private keys typically must be safeguarded and kept private to prevent a third party from accessing the relevant cryptocurrencies and NFTs held in the wallet. If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Company will be unable to access the cryptocurrencies and NFTs held in the wallet. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrencies and NFTs could materially and adversely affect the Company's operations.

Dependence on Cryptocurrency Exchanges

As the Company transacts on the blockchain in connection with the sale of NFTs, the initial payment of the products will be in cryptocurrency. In this regard, the Company will be dependent on cryptocurrency exchanges and the fluctuation of the value of cryptocurrencies. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past few years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed cryptocurrency exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Cryptocurrency is not covered by deposit insurance.

Transactions using cryptocurrency are not covered by deposit insurance, unlike banks and credit unions that provide guarantees or safeguards.

Uninsured or Uninsurable Risks.

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of the business, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The Company may become subject to liability for hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position.

Risk of a decline in the continuing development and acceptance of digital assets and distributed ledger technology

The growth of the digital asset industry (of which NFTs are a party of) in general, and distributed ledger technology (blockchain technology) that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Many digital asset networks, including Ethereum, operate on open-source protocols maintained by groups of core developers. The open-source structure of these network protocols means that certain core developers and other contributors may not be compensated, either directly or indirectly, for their contributions in maintaining and developing the network protocol. A failure to properly monitor and upgrade network protocol could damage digital asset networks. As these network protocols are not sold and their use does not generate revenues for development teams, core developers may not be directly compensated for maintaining and updating the network protocols.

Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the networks. There can be no guarantee that developer support will continue or be sufficient in the future. To the extent that material issues arise with certain digital asset network protocols and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, such digital asset networks, and any corresponding digital assets held may be adversely affected.

Values of digital assets have historically been highly volatile.

As digital asset, a decline of value in NFTs that the Company offers or holds would negatively impact its financial position. A significant portion of demand for digital assets such as NFTs is generated by speculators and investors seeking to profit from the short- or long-term holding of these assets. Speculation regarding future appreciation in the value of a digital asset may inflate and make more volatile the price of that digital asset.

Several factors may affect the price of digital assets, particularly cryptocurrencies, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of cryptocurrencies or the use of cryptocurrencies as a form of payment. Additionally, some purportedly decentralized digital assets may be more centralized than widely believed, or may become more centralized over time, increasing the risk that an adverse event impacting an individual personality or entity could result in a reduction in the price of digital assets. While digital assets networks are typically decentralized and do not need to rely on any single government or institution to create, transmit and determine value, in reality a single personality or entity may have the ability to exert centralized authority over a network. Where a single personality or entity exerts an outsize influence, an adverse event impacting that individual or entity, such as an insolvency proceeding, could result in a reduction in the price of a digital assets.

There is no assurance that cryptocurrencies will maintain their long-term value in terms of purchasing power in the future, or that acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will continue to grow. Only a limited number of cryptocurrencies, including Ethereum and Bitcoin, have become sometimes accepted as a means of payment for some goods and services, and use of cryptocurrencies by consumers to pay at retail and commercial outlets remains very limited. In part, this is because cryptocurrencies face significant scaling obstacles that can lead to high fees or slow transaction settlement times and attempts to increase the volume of transactions may not be effective. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such limited use as has developed to date, may result in increased volatility or a reduction in the value of that cryptocurrency or cryptocurrencies generally, either of which could materially and adversely affect the Company's investment strategies, the value of its assets and the value of any investment in the Company.

Risk of a decline in the Adoption and Use of NFTs

Because NFTs are a relatively new asset class and a technological innovation, they are subject to a high degree of uncertainty. The adoption, growth and longevity of any digital asset such as NFTs will require growth in its usage and in the blockchain for various applications. A lack of expansion in use of NFTs and blockchain technologies could adversely affect the financial performance of the Company. In addition, there is no assurance that any particular NFT will maintain their value over the long term. Even if growth in the use of any NFT occurs in the near or medium term, there is no assurance that such use will continue to grow over the long term. A lack of expansion of NFTs into the retail and commercial markets may result in increased volatility or a reduction in the market price of these assets. Further, if fees increase for recording transactions on these blockchains, demand for NFTs may be reduced and prevent the expansion of the networks to merchants and commercial businesses, resulting in a reduction in the price of these assets. A contraction in use of any NFT may result in increased volatility or a reduction in prices, which could materially and adversely affect the value of the Company's assets and the value of any investment in the Common Shares.

Other Risks Relating to the Company's Business

Competition

The Company will compete with other NFT businesses. Any market participant with sufficient capital and know-how has the ability to compete with the Company's core businesses. As a result, the Company will face significant competition in the blockchain and NFT sectors. The Company's competitors may include other acquisition vehicles and major blockchain-based businesses worldwide which may have greater financial, technical and human capital than the Company, in addition to superior expertise and experience in the blockchain business.

The NFT market in which the Company competes requires continuous innovation and are highly competitive, rapidly evolving, subject to changing technology, shifting customer trends, competition for new content, and frequent introductions of new products and services. New competitors could launch new businesses in the Company's markets at a relatively low cost since technological and financial barriers to entry are relatively low. Some of the Company's current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, broader geographic scope, and larger marketing budgets, as well as substantially greater financial, technical, personnel, and other resources. The Company may also experience competition from smaller, newer competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if the Company's products are more effective than the products and services that the Company's competitors offer, potential customers might select competitive products and services in lieu of purchasing the Company's products and services. For these reasons, the Company may not be able to compete successfully against the Company's current and future competitors, which could negatively impact the Company's future sales and harm the Company's business and financial condition.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As the Company offers produces and services that are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the

Company’s service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.

Schedule "G"

Pro Forma Financial Statements

LOOKING GLASS LABS LTD.
(FORMERLY BLUKNIGHT AQUAFARMS INC.)

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Prepared by Management)
(Expressed in Canadian Dollars)

October 31, 2021

Looking Glass Labs Ltd.
(Formerly Bluknight Aquafarms Inc.)
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at October 31, 2021
(Unaudited – Expressed in Canadian Dollars)

	Looking Glass As At October 31, 2021	Pro Forma Adjustments	Note 3	Pro Forma
	$	$		$
ASSETS				
Current Assets				
Cash	7,160,507	2,484,100	a)	8,894,607
		(750,000)	b)	
Accounts receivable	16,520	-		16,520
Digital assets	283,220	-		283,220
Prepaid expenses	193,367	-		193,367
Total Current Assets	7,653,614	1,734,100		9,387,714
Equipment	16,081	-		16,081
Goodwill	10,279,976	-		10,279,976
TOTAL ASSETS	17,949,671	1,734,100		19,683,771
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	109,947	-		109,947
Due to related party	90,132	-		90,132
Income taxes payable	15,785	-		15,785
Loan payable	40,000	-		40,000
Contingent consideration	2,750,000	(750,000)	b)	2,000,000
Total Current Liabilities	3,005,864	(750,000)		2,255,864
Non-Current Liabilities				
Contingent consideration	3,000,000	-		3,000,000
TOTAL LIABILITIES	6,005,864	(750,000)		5,255,864
SHAREHOLDERS' EQUITY				
Share capital	6,711,899	2,484,100	a)	9,195,999
Reserves	25,420	-		25,420
Subscriptions received	40,000	-		40,000
Retained Earnings	5,166,488	-		5,166,488
TOTAL SHAREHOLDER'S EQUITY	11,943,807	2,484,100		14,427,907
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,949,671	1,734,100		19,683,771

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Information

1. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position ("Pro-forma Financial Statements") of the Looking Glass Labs Ltd. (formerly Bluknight Aquafarms Inc.) (the "Company") has been prepared by management of the Company for inclusion in a Listing Application (the "Application") to the NEO Exchange. The Company has applied to list its common shares on the NEO Exchange and the listing will be subject to it fulfilling all of the listing requirements of the NEO Exchange. The unaudited pro-forma consolidated statement of financial position has been prepared to reflect the proposed transaction between the Company and HOK Technologies Inc. ("HOK") whereby the Company acquired all the shares of HOK under the terms described in Note 2 (the "Transaction").

The Pro-forma Financial Statement has been prepared for illustrative purposes using accounting policies consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances and pursuant to the assumptions and adjustments as further described in Note 3. The Pro-forma Financial Statement has been reported in Canadian dollars, unless otherwise stated.

The Pro-forma Financial Statement as at October 31, 2021, includes the statement of financial position of the Company and its wholly owed subsidiary, HOK as at October 31, 2021.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- the Company's unaudited condensed interim consolidated financial statements as at October 31, 2021;
- the additional information set out in Note 3 of this unaudited pro-forma consolidated statement of financial position that are directly attributable to the Transaction or factually supportable.

2. DEFINITIVE AGREEMENT

On September 29, 2021, the Company entered into a definitive share exchange agreement (the "Definitive Agreement") (the "Agreement") to acquire all of the issued and outstanding securities of HOK Technologies Inc. ("HOK") in consideration for 45,000,000 common shares of the Company (each a "Consideration Share") payable to the existing shareholders of HOK (the "Vendors").

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 calendar years ending December 31, 2021 and December 31, 2022. At October 31, 2021, HOK had achieved all revenue related milestones for the calendar year ended December 31, 2021, and the Company is obligated to pay the Vendors $750,000 (paid) and $2,000,000 of Earn-Out Shares. The Company has recorded the $2,750,000 earned as accrued acquisition costs.

The revenue-related milestones for the period commencing on January 1, 2022 and ending December 31, 2022 are either:

- $1,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $5,000,000 of revenue is achieved by HOK; or
- $2,500,000 of Earn-Out Shares and $500,000 if, by no later than December 31, 2022, $10,000,000 of revenue is achieved by HOK.

(Unaudited – Expressed in Canadian Dollars)

2. DEFINITIVE AGREEMENT (continued)

The Company has recorded the fair value of the additional consideration for revenue milestones for the year ended December 31, 2022 as a contingent liability. The number of Earn-Out Shares issuable upon the achievement of revenue-related milestones 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 also agreed to issue an aggregate of 200,000 common shares of the Company to extinguish certain of HOK's outstanding accounts payable. The Company agreed to pay a finder's fee of 2,250,000 common shares of the Company to certain qualified third parties in connection with the closing of the Acquisition. On September 30, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of HOK and the Company issued 47,450,000 common shares of the Company in connection with this acquisition.

The acquisition of HOK constituted a business combination as HOK met the definition of a business under IFRS 3 - Business Combinations.

Purchase price:	**$**
45,000,000 common shares	4,500,000
Contingent consideration	5,750,000
Total consideration paid	**10,250,000**
Cash	225,558
Accounts receivable	629
Digital assets	772,072
Equipment	2,316
Accounts payable and accrued liabilities	(87,559)
Income taxes payable	(15,785)
Deferred Revenue	(636,668)
Due to related parties	(190,000)
Advances payable	(100,539)
Net liabilities assumed	(29,976)
Goodwill	10,279,976
Total	**10,250,000**

The Company determined that HOK's technology and business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of HOK.

The accounting for this acquisition has been provisionally determined at October 31, 2021. The fair value of total consideration has been determined provisionally and subject to adjustment. Upon completion of a comprehensive valuation and finalization of the purchase price allocation, the amounts above may be adjusted retrospectively to the acquisition date in future reporting periods.

The results of the purchase price and the operations from acquisition date to October 31, 2021 are included in the Company's financial statements as at and for the period ending October 31, 2021.

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

This pro forma financial information incorporates the following pro forma assumptions and adjustments:

a) The Company completed a financing of 5,000,000 units of the Company (the "Units") issued at a price of $0.50 per Unit for gross proceeds of $2,500,000 (the "Offering"). Each Unit is comprised of one common share (a "Share") and one share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional Share for a period of 60 months at an exercise price of $1.25 per Share. The Company paid finder's fees of $15,900 in cash, issued 145,950 common shares and 31,800 in broker warrants. The Broker Warrants have been issued with the same terms as the Warrants.

b) The Company paid the $750,000 for revenue-related milestones achieved by HOK for the calendar year ending December 31, 2021.

4. UNAUDITED PRO-FORMA CAPITAL STOCK

As a result of the Transaction and the pro-forma assumptions and adjustments, the pro-forma Capital Stock of the Company as at October 31, 2021 is comprised of the following:

	Number of common shares	Amount
		$
Outstanding at October 31, 2021	103,095,601	6,711,899
Private placement – November	5,000,000	2,484,100
Pro forma balance at October 31, 2021	**108,095,601**	**9,195,999**

5. EFFECTIVE INCOME TAX RATE

The effective income tax rate for the resulting issuer is 27%.