

Form 51-102F3

Material Change Report

Item 1 Name and Address of Issuer

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

Item 2 Date of Material Change

February 8, 2022

Item 3 News Release

The news release was disseminated through Globe Newswire on February 8, 2022 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced that it engaged Aktiencheck.de AG, to provide a European digital marketing campaign (the “**AK Services**”) for a period of three (3) months. The Issuer has agreed to pay AK EUR 100,000 for the AK Services. The compensation for AK Services does not include securities or options to purchase securities of the Issuer.

The Issuer also announced that it engaged King Tide Media, LLC (“**King Tide**”) to provide a digital marketing campaign (“**KT Services**”) for a period of three (3) months. The Issuer has agreed to pay King Tide USD 120,000 for the KT Services. The compensation for KT Services does not include securities or options to purchase securities of the Issuer.

Finally, the Issuer announced that it granted an aggregate of 5,000,000 incentive share purchase options (“**Options**”) to its directors, officers, employees and consultants. Each Option is exercisable for a period of five years at an exercise price of CAD 0.65 per common share of the Issuer. The Options vest over a period of 18 months, in one-third tranches of equal size, after the passing of each successive six-month period.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the attached news release.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

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

Item 9 Date of Report

February 8, 2022

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs' 3D Modelling Technology Provides Genesis for the Development of the HAPEBEAST NFT Collection

The Company's "Apedemption" Process Enabled the Turnkey 3D Modelling of the Sold Out HAPEBEAST NFT Drop

Vancouver, British Columbia – February 8, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”), a leading Web3 platform specializing in non-fungible token (“NFT”) architecture, immersive metaverse environments, play-to-earn tokenization and virtual asset royalty streams, is pleased to announce that the technology for the 3D modelling of NFT infrastructure of its flagship studio, House of Kibaa (“HoK”), was core to the development of the recently launched HAPEBEAST NFT collection by Digimental Studio (“Digimental”). HAPEBEAST is an ape-themed collection, and each avatar is unique based on its combination of stylized clothing and accessories, which are all aligned with modern streetwear trends. The Company’s 3D modelling technology is currently being used to design, model and rig the Gutter Cat Gang NFT collection characters for integration into a 3D metaverse. HoK has also previously completed a proof-of-concept for metaverse-ready 3D assets that are compatible with the Bored Ape Yacht Club collection of NFTs.

The collaboration between HoK and Digimental began in 2021 following HoK's use of its technology for its NFT redemption process of the 3D model to enable Bored Ape Yacht Club members to claim source files through a process called "Apedemption". The 3D source model was then adopted by Digimental for HAPEBEAST, which was a contribution from HoK that played a key role in the collection’s strong visual appeal, successful minting and valuable launch.

Leading up to the launch, the HAPE Prime range of HAPEBEAST NFTs became available in mid-January through a minting process that was exclusively available to whitelisted purchasers. A high level of anticipation was created due to the stylish appearance of the collection and 8,192 total HAPEBEAST NFTs were subsequently minted, which generated ETH 1,619.4 in proceeds from the launch. As of February 7, 2022, HAPEBEAST has achieved the second-highest 30-day sales volume on OpenSea with over ETH 44,100 in resale transactions within a period of just 19 calendar days. As of the time of writing, the floor price of the HAPEBEAST NFT collection is ETH 4.19 (or approximately CAD 16,760), which amounts to an aggregate market value of at least ETH 34,324 (or approximately CAD 137,300,000).

For LGL, holders of HoK’s Genesis Membership received an allocation of whitelisted spaces for the HAPE Prime NFT drop, which offered them guaranteed access to the HAPEBEAST NFT collection. Since the initial issuance of HoK Genesis memberships in 2021, all holders have received at least one NFT or other digital asset, every month of ownership. In addition to the drop of HAPE Prime whitelist spaces, HoK also previously dropped 3D NFT galleries for use in HoK’s upcoming metaverse. Through such recurring drops, HoK is continuously generating unique value and excitement for its Genesis Membership holders.

Since being founded in London in 2011 with a focus on streetwear, Digimental has worked with well known clients such as Nike, Air Jordan, BBC, Bacardi, MTV and Lacoste. Digimental's founder, Matt Sypien, sought to adapt his unique style into an NFT project and subsequently created HAPEBEAST. The current HAPEBEAST NFT collection can be viewed on OpenSea by visiting the following web page: <https://opensea.io/collection/hapeprime>.

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, "Collaborations such as these are fundamental to LGL's value creation strategy. Our interdisciplinary approach to curating innovations that contribute to the success of NFT projects has allowed us to form beneficial working relationships with impressive brands such as HAPEBEAST. In addition to bolstering the NFT ecosystem overall, these relationships enable us to negotiate preferred benefits, which we can then make available to HoK Genesis members, for whom we constantly strive to deliver new and meaningful value. Accordingly, our collaboration with Digimental appears to have resulted in mutually beneficial engagement for HAPEBEAST and HoK alike."

Corporate Updates

The Company also announces that it has engaged Aktiencheck.de AG ("**AK**"), an arm's length party to the Company, to provide a European digital marketing campaign comprised of the following (collectively, the "**AK Services**") for a period of three (3) months: editorial write-ups about the Company; email marketing campaign of the editorial write-ups; search engine and internet and social media marketing. The Company has agreed to pay to AK EUR 100,000 (plus VAT) for the AK Services. The compensation for AK Services does not include securities or options to purchase securities of the Company. Furthermore, the Company announces that it has engaged King Tide Media, LLC ("**King Tide**") an arm's length party to the Company, to provide a digital marketing campaign comprised of the following (collectively, the "**KT Services**") for a period of three (3) months: search engine and internet and social media marketing. The Company has agreed to pay to King Tide USD 120,000 for the KT Services. The compensation for KT Services does not include securities or options to purchase securities of the Company.

Additionally, the Company has granted an aggregate of 5,000,000 incentive share purchase options to its directors, officers, employees and consultants. Each share purchase option is exercisable for a period of five years at an exercise price of CAD 0.65 per common share of the Company. The options vest over a period of 18 months, in one-third tranches of equal size, after the passing of each successive six-month period

ABOUT LOOKING GLASS LABS

Headquartered in Vancouver, British Columbia, Looking Glass Labs is a Web3 platform specializing in non-fungible token ("**NFT**") architecture, immersive metaverse environments, play-to-earn tokenization and virtual asset royalty streams. Its leading brand, House of Kibaa ("**HoK**"), designs and curates a next-generation metaverse for 3D assets, which allows functional art and collectibles to exist simultaneously across different NFT blockchain environments. HoK has successfully released digital assets to include *GenZeroes*, which completely sold out in just 37 minutes for total proceeds to LGL of \$6.2 million, in addition to a perpetual 5% royalty stream on secondary market sales. HoK plans to launch a hyper-realistic metaverse built on the *Unreal 5* engine in 2022.

On behalf of **LOOKING GLASS LABS LTD.**

“Dorian Banks”

Dorian Banks, Chief Executive Officer

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Forward-Looking Information

This news release contains "forward-looking statements." Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things: the Company's goal to become the leading digital studio specializing in NFT architecture, immersive metaverse design and virtual asset display monetization streams; and to build out a portfolio of perpetual NFT royalty streams through collaborations, accretive acquisitions and other arrangements, to potentially result in consistent, de-risked and passive revenue.

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

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the continued growth and adoption of NFT and metaverse offerings by consumers; the cost of developing and designing NFTs and metaverses is economically viable; the Company being able to attract and retain a sufficient workforce with desired skillsets to develop the Company's NFT and metaverse offerings; the availability of offerings provided by third-parties in the NFT, metaverse development and online gaming market to identify potential transactions; the increasing adoption of NFTs as a solution for various online gaming, entertainment and collectible uses; the Company having the ability to mitigate the risks associated with the blockchain and NFT industry; the ability to compete with other businesses in the NFT, metaverse development, content creation and collectibles market; the risk that the Company's offerings are not accepted by the consumer, the risk that other competitors may offer similar digital offerings; the risk that there may be negative changes in general economic and business conditions; the risk that the Company may have negative operating cash flow and not enough capital to complete the development of any of its technologies; the risk that the Company may not be able to obtain additional financing as necessary; the risk that there may be increases in capital and operating costs; the risk that the NFT technology may be subject to fraud and other failures; the risk that there may be technological changes and developments in the blockchain that make the NFT solutions obsolete; risks relating to regulatory changes or actions which may impede the development or operation of the blockchain solutions; the risk that other competitors may release similar blockchain offerings; the potential future unviability of the NFT market in general; the volatile cost of the amount of computational effort required to execute specific operations on the blockchain, and other general risks involved in the blockchain solutions.

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

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

SOURCE: LOOKING GLASS LABS LTD.