

**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 16, 2022

**Item 3 News Release**

The news release was disseminated through Globe Newswire on February 17, 2022 and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

The Issuer announced that it has granted an aggregate of 675,000 restricted share units (“**RSUs**”) to directors and officers of the Issuer on February 16, 2022. The RSUs are subject to vesting, upon predetermined corporate milestones that need to be satisfied as a condition of vesting. The RSUs were priced at \$0.85 per underlying common share, based on the closing price of the Issuer’s common shares on the trading day prior to grant.

**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 18, 2022

# LOOKINGGLASSLABS

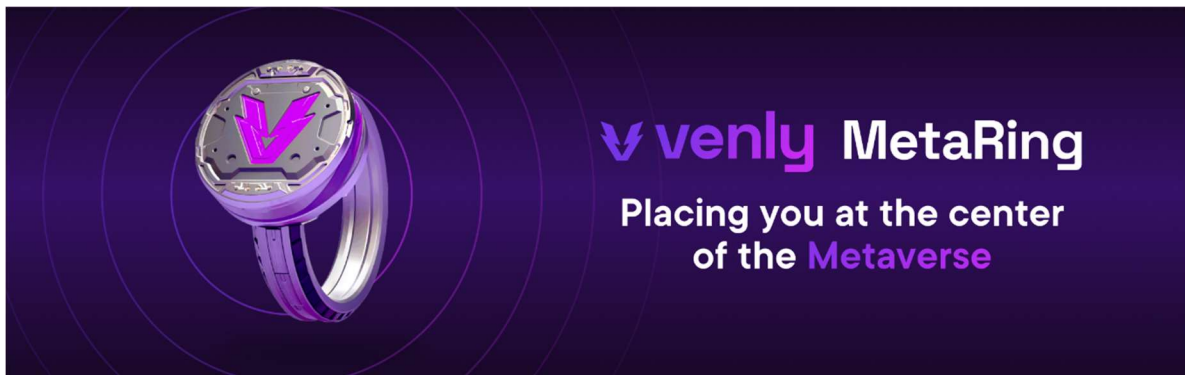
NEWS RELEASE

## Looking Glass Labs and Venly to Integrate MetaRing NFT into the House of Kibaa Metaverse

**House of Kibaa’s Metaverse is Being Developed to Provide a Hyper-Realistic Experience Across 20 Unique Environments and be Powered by the Most Advanced Version of Unreal Engine**

Vancouver, British Columbia – February 17, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX), 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 it entered into an arrangement with Venly, the prominent blockchain technology innovator, to pursue integration opportunities with LGL’s flagship studio, House of Kibaa (“HoK”), including potential integrations within HoK’s hyper-realistic metaverse that is expected to be launched in the second half of 2022. Through its website at [www.venly.io](http://www.venly.io), Venly has approximately 1.5 million end users for its custodial crypto wallet solutions that are offered in Widget and API formats.

Venly recently issued an NFT called MetaRing to position holders in the figurative centre of the metaverse. Based on the premise that there will be many metaverses as the Web3 iteration of the Internet matures, the MetaRing NFT is meant to facilitate an interconnected ecosystem of metaverses, which holders can explore based on certain privileges associated with each metaverse. Put simply, a MetaRing NFT can be thought of as a VIP-type of pass for holders to access various metaverse environments, with benefits that can include but are not limited to early admission, discounts, in-game utilities, airdrops and access to exclusive areas or attributes of a given metaverse.



*Venly’s MetaRing NFT will provide holders access to several unique metaverse environments. With approximately 1.5 million users, Venly can introduce many new participants to the HoK community through the MetaRing network of interoperable metaverses.*

Under the arrangement, HoK will grant holders of Venly's MetaRing NFT select privileges and utilities in the upcoming HoK metaverse, which is code-named Project Origin and is being built using the most advanced version of the Unreal Engine available for launch later this year. In return, Venly will be the facilitator of metaverse initiatives in the HoK ecosystem by introducing up to 1.5 million users from its community to Project Origin. Venly is also committed to investing in HoK's products and land once its metaverse is launched. By bringing increased utility to the MetaRing NFT collection, the arrangement is expected to give holders more opportunities to utilize their NFTs, for example, first as being a wearable item in Project Origin and then as an access token to events held in the metaverse.

HoK's metaverse is being designed with a focus on hyper-realism and architecting state-of-the-art facilities for users to interact with. Users, communities and brands will engage with a premium digital space that will be enjoyable and immersive. With 20 different planned environments inspired by the real world, the HoK metaverse will function as the ultimate portal to the next generation metaverse and is expected to include HTML5 interoperability resulting in seamless legacy integration for brand partners.

Venly has nine software products that are used by hundreds of clients including Atari, OpenSea, The Sandbox, Maison DAO, Shopify, Polygon and Binance Chain. To enable new integrations of blockchain technologies with legacy systems, Venly also offers NFT Tools, which is a suite of APIs, plugins, analytics and other applications. Venly's most notable development involving NFT Tools is the recently launched Shopify application, which allows merchants to sell NFTs through Shopify-powered online storefronts using a proprietary minting mechanism.

### **Management Commentary**

Dorian Banks, Chief Executive Officer of LGL said, "Venly has developed an impressive array of technologies that have been instrumental in unlocking value for blockchain projects of all kinds for several high-profile names in the tech industry. With metaverses set to surge in popularity in 2022, I believe Venly's MetaRing NFT will encourage many users to check out a wide variety of metaverses, in each of which they will enjoy certain unique advantages. Moreover, Venly will be reinvesting revenues from the sale of its MetaRing NFTs into land in partner metaverses (such as that of HoK) and to offer member-only events for holders of MetaRing NFTs. As the launch of the HoK metaverse nears, we will work with Venly to curate a top-tier experience for MetaRing NFT holders who wish to explore, and potentially join, the HoK community. We believe this partnership can be a catalyst for growing HoK's community footprint as metaverses become mainstream."

"HoK is an existing partner of ours that leverages our NFT API Tools. We are happy to deepen our relationship by integrating the MetaRing in HoK's very own metaverse "Project Origin", bringing an additional layer of VIP experiences to the Ring holders. I've been privileged to glimpse some parts of the project already, and all I can say is people will be salivating when they see the Origin metaverse," added Stefan Colins, Metaverse Partnerships Director at Venly.

### **Corporate Update**

Pursuant to its shareholder approved restricted share unit ("**RSU**") plan (the "**RSU Plan**"), Company has granted an aggregate of 675,000 RSUs to directors and officers of the Company on February 16, 2022. The RSUs are subject to vesting, upon predetermined corporate milestones that need to be satisfied as a condition of vesting. The vested RSUs shall entitle the eligible parties the ability to acquire one common share in the capital of the Company underlying each such RSU upon such holder delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of five years from issuance (the "**Term**") Any unvested RSUs after expiry of the Term will be deemed automatically cancelled without

further act or notice by the Company. The RSUs were priced at \$0.85 per underlying common share, based on the closing price of the Company's common shares on the trading day prior to grant.

## **ABOUT LOOKING GLASS LABS**

Headquartered in Vancouver, British Columbia, Looking Glass Labs (“LGL”) 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 sold out in just 37 minutes for total proceeds to LGL of CAD 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 latest version of Unreal Engine in 2022.

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

“Dorian Banks”

Dorian Banks, Chief Executive Officer

Twitter: [@DorianBanks](https://twitter.com/DorianBanks)

For further information, please contact:

Dorian Banks

Toll-Free: +1 833 LGL-NFTX (833-545-6389)

Email: [info@lgl.io](mailto:info@lgl.io)

Twitter: [@LGL\\_io](https://twitter.com/LGL_io)

### ***Forward-Looking Information***

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

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

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

*NFT industry; and the ability to compete with other businesses in the NFT, metaverse development, content creation and collectibles market.*

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

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