

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 24, 2022

Item 3 News Release

The news release was disseminated through Globe Newswire on February 24, 2022 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced that it engaged MarketSmart Communications Inc. (“**MarketSmart**”), to provide investor relations services and the management of the Company’s social media channels (collectively, the “**Services**”) for an initial period of six (6) months. The Company will pay MarketSmart CAD \$9,500 plus GST per month for the Services and issue 100,000 stock options, each Option exercisable to purchase one (1) common share in the capital of the Company at CAD \$0.76 per common share for a period of two (2) years and shall vest in one-third (1/3) tranches over a period of 18 months.

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 24, 2022

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs to Acquire Development Division of LACA Solutions and Establishes APAC Web3 Office

The Acquisition Provides LGL with Experienced, Turnkey Human Capital to Scale it's Metaverse Development, P2E Gaming and NFT Design Initiatives

Vancouver, British Columbia – February 24, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX) (FRA: H1N), 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 it has entered into a letter of intent (“LOI”) to acquire the Development Division of LACA Solutions Corporation (“LACA”). The Development Division contains certain proprietary technologies and intellectual property, as well as the employment contracts of 13 talented individuals equipped with over 140 years of combined experience in gaming, programming and Web3 applications. Upon closing of the acquisition, the Development Division is intended to become the foundation of LGL’s new base of operations in Vietnam, which is one of the world’s leading jurisdictions for NFT, metaverse and play-to-earn (“P2E”) gaming development.

Founded in 2017 by Son Nguyen in Ho Chi Minh City, Vietnam, LACA works with clients in a variety of industries including blockchain, gaming, software outsourcing, payment processing, loyalty reward programs as well as customer promotion services. With extensive experience working in the US, Japan, the EU, and Singapore, LACA develop a roster of notable local and international clients. LACA’s Founder and CEO, Son Nguyen, has more than 20 years of experience in the information technology industry. His partner, Tin Nguyen, is based in Georgia, USA, is a strategic member of LACA’s board with 20 years of experience focused primarily on product and enterprise development.

Transaction Rationale

Company management views the intended acquisition as being both strategic and accretive from a human capital perspective, as the ability to quickly add talent and experience in the rapidly evolving Web3, NFT and P2E gaming industries is a competitive advantage for growth that is expected to benefit customers, shareholders and other stakeholders alike. From an organizational design perspective, the Company is planning for the Development Division to fall under its wholly owned subsidiary and flagship studio, House of Kibaa (“HoK”).

The Development Division will be focused on assisting HoK with Unreal Engine gaming, Web3 development as well as front-end and back-end web programming. Specifically, a redemption portal is being targeted as the Development Division’s nearest term project, which is being planned to include: a front-end launcher; and local database systems for internal assets and games. Future projects are also expected to include the creation of avatar systems, NFT renting contracts, user-friendly NFT minting tools,

treasure box systems, HTML5 integration and testing for HoK's Origin metaverse, game development services for third parties and other research and development projects for the Company.

Further, the Company is pleased to announce that it is in the process of establishing a corporate office in Ho Chi Minh City, Vietnam which intended to function as LGL's APAC Web3 Campus (pictured below in the form of an architectural rendering):



Architectural rendering of the HoK VN Studio to be located in Ho Chi Minh City, Vietnam.

The consideration payable for LGL's acquisition of LACA's Development Division shall consist of up to CAD 500,000 cash and up to CAD 1 million in common shares in the capital of LGL, payable as follows:

- CAD 50,000 cash payable within 10 days from the date of acceptance of the LOI by LACA;
- CAD 50,000 cash upon the execution of the formal and binding transaction agreement ("**Definitive Agreement**");
- CAD 100,000 cash upon the successful transfer of the employment of the 13 individuals within the Development Division to LGL or an affiliate of LGL;
- CAD 100,000 cash within 90 days from the Development Division achieving certain milestones mutually agreed to between the parties, as further set out in the Definitive Agreement;
- CAD 200,000 cash within 120 days from the Development Division achieving certain milestones mutually agreed to between the parties, as further set out in the Definitive Agreement;
- CAD 500,000 of common shares in the capital of LGL upon the Development Division achieving certain milestones in connection with a launch of an HoK token; and
- CAD 500,000 of common shares upon the Development Division achieving certain milestones in connection with the alpha launch of HoK's metaverse and subsequent virtual land sales.

The issuance of any common shares of LGL as contemplated in the LOI remains subject to a Definitive Agreement and approval from the Neo Exchange.

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, “Acquiring the development division of LACA is strategic for LGL as it marks our first purchase of assets overseas. We are optimistic that the transaction of operations in Vietnam will only help us achieve our goals as a company.” Mr. Banks added, “The HoK VN Studio is a project that LGL is excited about, and to have LACA onboard and working with us is encouraging.”

Service Provider Engagement

The Company also announces that it has engaged MarketSmart Communications Inc. ("**MarketSmart**"), an arm's length party to the Company, to provide investor relations services and the management of the Company's social media channels (collectively, the "**Services**") for an initial period of six (6) months with the option to renew at the Company's election. The Company has agreed to pay to MarketSmart CAD 9,500 plus GST per month for the Services. In addition to the monthly retainer, the Company has granted to MarketSmart an aggregate of 100,000 stock options (each an "**Option**"), each Option is exercisable to purchase one (1) common share in the capital of the Company at CAD 0.76 per common share for a period of two (2) years and shall vest in one-third (1/3) tranches over a period of 18 months.

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

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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; intention 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; and the near-term projects and future projects planned for the Development Division as referenced in this news release.

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; the ability to compete with other businesses in the NFT market; and the availability of sufficient funding to carry out the Company's business development plans.

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

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

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

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

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

SOURCE: LOOKING GLASS LABS LTD.