

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

March 3, 2022

Item 3 News Release

The news release was disseminated through Globe Newswire on March 3, 2022 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced that it engaged OGIB Corporate Bulletin (“**OGIB**”), an arm’s length party to the Issuer, to write and publish newsletters about the Issuer for a 12-month period (the “**Services**”). The Issuer agreed to pay to OGIB CAD \$200,000 plus GST for the Services. The compensation paid by the Issuer for the Services does not include securities or options to purchase securities of the Issuer.

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

March 4, 2022

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs' Subsidiary House of Kibaa Partners with Polygon Studios on NFTs, Scaling and Other Infrastructure Solutions

Under the Collaboration, House of Kibaa will Benefit from Polygon's Scalability for its P2E, Metaverse and NFT-Based Initiatives, as well as from Technical Support, Cross-Promotional Opportunities and Other Potential Collaborative Business Arrangements

Vancouver, British Columbia – March 03, 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 that its flagship studio, House of Kibaa (“HoK”), has entered into a collaborative arrangement (the “Collaboration”) with Polygon Studios, the NFT, gaming and metaverse arm of Polygon (MATIC). The Polygon blockchain has developed an assortment of fin-tech solutions for traditional finance as well as cryptocurrency and the blockchain. Polygon has become highly respected in the blockchain ecosystem for its scaling and infrastructure solutions that have been adopted by more than 1,200 applications, with over 600 million total transactions processed, 60 million unique user addresses and over USD 5 billion in assets secured. Recently, Polygon raised USD 450 million in a round of financing that was led by Sequoia Capital India, thereby bringing its total market capitalization to approximately USD 12 billion, as of the date hereof, as it seeks to ambitiously broaden its portfolio of Ethereum scaling solutions¹.

Under the Collaboration, HoK will benefit from technical and business support for all of its strategic pillars including HoK, the *GenZeroes* NFT collection, the *GenZeroes* live-action series as well as HoK's *Project Origin* metaverse set to launch in 2022. Polygon Studios will also provide cross-promotional support for HoK and its projects by identifying opportunities for other collaborations with Polygon Studios' clients and collaborators. Further, Polygon Studios has agreed to amplify HoK's content by re-posting it on its social media channels including the main [Polygon Twitter account](#) (Verified, with over 1.2 million followers).

Polygon is an important scaling solution that works on top of the Ethereum blockchain, which has become slow and expensive to use due to its popularity. Currently, the Ethereum blockchain can process about 14 transactions per second with each transaction costing approximately USD 25 or much higher at peak times. However, Polygon makes things cheaper and faster by processing some transactions on its proprietary proof-of-stake blockchain, otherwise known as a ‘Layer 2’ solution given that the Ethereum blockchain is described as ‘Layer 1’. By comparison, Polygon states that it can process up to 65,000 transactions per second with fees costing less than a fraction of a cent, plus network fees.² Polygon boasts investors that include Mark Cuban, Kevin O’Leary and many other high-profile investors.

Thanks to Polygon's scalable nature, lower fees, and faster transaction times, it has developed into the ideal ecosystem for metaverse and gaming projects. With the ability to support a large number of users, projects do not have to worry about gas wars or hefty gas fees when network traffic picks up. This is great for games and metaverses that plan on supporting a robust number of users.

Polygon recently launched Polygon Studios as an initiative dedicated to growing blockchain-based gaming with NFT integrations on a global scale in order to bridge the gap between Web2 and Web3 ecosystems through investment, marketing and developer support. In January of this year, video gaming and esports icon Ryan Wyatt, commonly known by his "Fwiz" alias, resigned from his position as Head of Gaming at YouTube to become Chief Executive Officer of Polygon Studios. Through relationships with collaborators like Atari, OpenSea and Decentraland, Polygon Studios is strategically building its presence in the modern digital media world, which is expected by LGL's management to provide multiple advantages and opportunities for HoK and the Company's other assets.

More information about Polygon can be accessed on its website at the following link: <http://polygon.io>

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, "Establishing a formal collaboration with Polygon is expected to create a number of exciting opportunities for our Company as digital media continues its rapid shift towards NFTs and the metaverse in 2022. In the late 2010s, scalability issues plagued many cryptocurrency and blockchain projects, which is a problem that Polygon sought to solve with its product suite for efficiently scaling Ethereum applications. This is something that we intend to leverage when we launch HoK's Project Origin metaverse this year, in addition to other offerings. Further, we believe there is considerable value to be had from potential arrangements with Polygon's well-known collaborators in other industries such as technology, entertainment, sports and video gaming. We look forward to working with Polygon as our newest strategic ally in the blockchain space, with several noteworthy HoK launches set to take place in the coming months."

Service Provider Engagement

The Company also announces that it has engaged OGIB Corporate Bulletin ("**OGIB**"), an arm's length party to the Company, to write and publish newsletters about the Company (collectively, the "**Services**") for a 12-month period. The Company has agreed to pay to OGIB CAD 200,000 plus GST for the Services. The compensation paid by the Company for the Services does not include securities or options to purchase securities of the Company.

ABOUT POLYGON STUDIOS

Polygon Studios is the Gaming and NFT arm of Polygon focused on growing the global Blockchain Gaming and NFT industry and bridging the gap between Web 2 and Web 3 through investment, marketing, and developer support. The Polygon Studios ecosystem comprises highly loved games and NFT projects like OpenSea, Upshot, Aavegotchi, Zed Run, Skyweaver by Horizon Games, Decentraland, Megacryptopolis, Neon District, Cometh, and Decentral Games. If you're a game developer, builder or NFT creator looking to join the Polygon Studios ecosystem, get started here.

[Twitter](#) | [Facebook](#) | [Instagram](#) | [Telegram](#) | [Tiktok](#) | [LinkedIn](#)

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.

Endnotes

1. "Polygon raises \$450M from Sequoia Capital India, Softbank and Tiger Global," TechCrunch, accessed February 11, 2022, <https://techcrunch.com/2022/02/07/polygon-raises-450m-from-sequoia-capital-india-softbank-and-tiger-global/>.
2. "Polygon and Matic: What's the Difference?," accessed March 1, 2022, <https://www.coindesk.com/learn/polygon-and-matic-whats-the-difference/>

SOURCE: LOOKING GLASS LABS LTD.