LOOKING GLASS LABS LTD.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED JULY 31, 2022

DATED AS OF OCTOBER 31, 2022

Suite 810 – 789 West Pender Street
Vancouver, BC V6C 1H2

TEL: 604-687-2038

TABLE OF CONTENTS

PRELIMINARY NOTES

In this Annual Information Form ("**AIF**"), Looking Glass Labs Ltd. is referred to as the "**Company**" or "**LG Labs**". All information in this AIF is as of July 31, 2022, unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended July 31, 2022 and notes that follow, as well as the accompanying annual management's discussion and analysis, which are available on the Canadian Securities Administrator's SEDAR System at www.sedar.com.

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

The information provided in this AIF is supplemented by disclosure contained in the documents listed below which are incorporated by reference into this AIF. These documents must be read together with the AIF in order to provide full, true and plain disclosure of all material facts relating to the Company. The documents listed below are not contained within or attached to this document. The documents may be accessed on SEDAR at www.sedar.com under the Company's profile.

- the Company's financial statements for the years ended July 31, 2022 and 2021, and the MD&A related thereto;
- the Company's Management Information Circular dated November 30, 2021 for the annual general and special meeting of shareholders of the Company held on January 4, 2022;
- the Company's Neo Exchange Filing Statement dated February 1, 2022; and
- all of the Company's news releases and material change reports filed during and subsequent to the financial year ended July 31, 2022; all of which are available under the Company's profile on SEDAR.
- all of the Company's reports of exempt distributions filed during and subsequent to the financial year ended July 31, 2022; all of which are available on BSCS and OSC websites as applicable, or under the Company's profile on SEDAR.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

The information provided in this AIF, 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*".

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

- 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 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 AIF 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 AIF and, other than as specifically required by law, the 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 AIF 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 AIF, 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 AIF are made as of the date of this AIF, 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 AIF are expressly qualified by this cautionary statement.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this AIF. This is not an exhaustive list of defined terms used in this AIF and additional terms are defined throughout. 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 Company;

"**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, 2022 and 2021 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 AIF;

"**Annual MD&A**" means the management's discussion and analysis of the Company for the fiscal years ended July 31, 2022 and 2021, 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 AIF;

"**Audit Committee**" means the audit committee of the Company;

"**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 Company;

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

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

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

"**Commissions**" means the BCSC, Ontario Securities Commission and the Alberta Securities Commission.

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

"**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.

"**Consideration Shares**" means the 45,000,000 Common Shares issued to the Vendors at a deemed price of $0.10 per Consideration Share;

"**Definitive Agreement**" means the definitive share exchange agreement dated September 29, 2021 among HoK and LG Labs;

"**Earn-Out Shares**" means the Common Shares to be issued to the Vendors upon realization of certain revenue-related milestones achieved by HoK for the years ending December 31, 2021 and December 31, 2022;

"**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;

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

"**AIF**" means this AIF including the schedules attached hereto;

"**MD&A**" means management's discussion and analysis;

"**NEO Exchange**" means the Neo Exchange Inc.;

"**NFT**" means non-fungible token;

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

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

"**Person**" means a company or individual;

"**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;

“**RSUs**” mean Restricted Share Units.

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

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

“**SPA**” means the share purchase agreement dated August 9, 2022 among the shareholders of Web 3.0 Holdings Inc. and LG Labs;

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

“**Transaction**” means, collectively, the Definitive Agreement, and all transactions contemplated by the Definitive Agreement, including without limitation, the acquisition by the Company of all issued 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 “*General Development of the Business”;*

“**Warrants**” means warrants to purchase Common Shares.

1. CORPORATE STRUCTURE

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

On April 23, 2021, the Company consolidated the issued and outstanding Common Shares on the basis of one (1) new share for every three (3) old shares (the "**Share Consolidation**") resulting in a reduction in its issued and outstanding capital to 30,073,489 Common Shares as of April 23, 2021. The Common Shares reserved under its equity and incentive plans were adjusted to reflect the Share Consolidation. All Common Share and per share data presented in this AIF have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and its Common Shares are currently listed for trading on the Neo Exchange under the symbol "NFTX".

1.2 Intercorporate Relationships

The Company has four (4) wholly-owned subsidiaries as follows:

Subsidiary	Jurisdiction of Incorporation	Ownership Percentage	Direct or Indirect Ownership
HOK Technologies Inc. ("**HOK**")	BC	100%	Direct
GenZeroes Productions Inc. ("**GPI**")	BC	100%	Direct
HOK Vietnam Company Limited	Vietnam	100%	Direct
HOK Technologies (BVI) Inc.	British Virgin Islands	100%	Direct

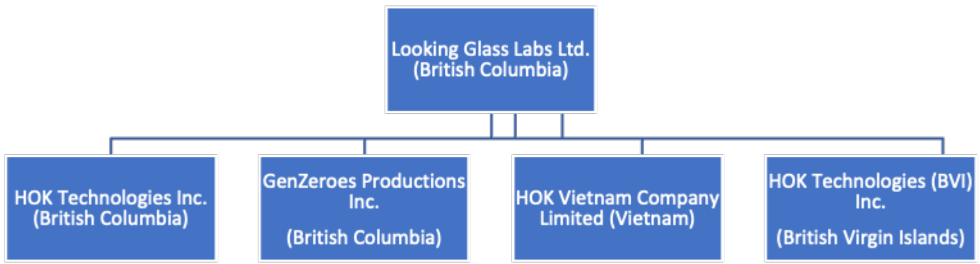
HoK was incorporated under the BCBCA under the name of West Peak Accessories Inc. on December, 31, 2019. HoK changed its name to HOK Technologies Inc. on June 28, 2021. HoK has been established to create one of a kind digital artwork and digital assets in the form of non-fungible tokens (NFTs), an ecosystem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

GenZeroes Productions Inc. (the "**Production Subsidiary**") was incorporated under the BCBCA on November 18, 2021 to produce the Company's projects related to fields of performing arts, new media art, interactive arts, video games, websites, and video under the GenZeroes Series (*See "General Development of the Business"*).

HOK Vietnam Company Limited is a company incorporated in Vietnam on January 7, 2022. HOK Vietnam was establish to explore opportunities in the blockchain technology industry as it relates to talent in digital artistic design and 3D modelling in South-East Asia.

HOK Technologies (BVI) Inc. is a company incorporated in the British Virgin Islands on April 7, 2022. As of the date of this AIF, HOK Technologies (BVI) is inactive.

The following diagram presents the organizational chart of the Company, as of the date of this AIF:



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three Year History During the fiscal years ended July 31, 2022, 2021 and 2020.

On August 26, 2020, the Company announced the appointment Messrs. Gregory Baron, Troy Grant and Eugene Beukman as Directors of the Company, and Ms. Jessica Ross was appointed as the Chief Financial Officer and Mr. Gregory Barons was appointed Chief Executive Officer of the Company.

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 and acquired 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 shareholders of HoK (the "**Vendors**"). The Consideration Shares are 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 Common Shares at such time. In connection with Transaction, the Company also 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 closing of the Transaction.

On September 30, 2021, HoK sold a collection of 10,000 NFTs under the name GenZeroes that was developed in collaboration with several artists with work experience that includes projects for both the StarWars and Marvel franchises. As a result of the sale, earning gross proceeds of approximately $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 was paid by the Company to the Vendors.

The $2,000,000 Earn-Out Shares were issued on February 25, 2022 at a deemed price per common share of $0.77 per common share or 2,592,205 Earn-Out Shares.

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 8, 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 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 24, 2021, the Company engaged Calgary-based Meadowbank Strategic Partners Inc. ("Meadowbank") to provide investor relations, capital markets and corporate development advisory services to the Company. The Company agreed to pay Meadowbank a minimum fee of $6,000 per month for its services.

On October 25, 2021, the Company appointed Carl Chow to the Board of Directors and Troy Grant resigned from the from the 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 William Neil Stevenson-Moore as its Chief Product Officer.

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 entitles 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 February 24, 2022, the Company announced 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 agreed to pay to MarketSmart $9,500 plus GST per month for the Services. In addition to the monthly retainer, the Company 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 $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. February 25, 2022, the Company issued 2,592,205 common shares at a deemed price of approximately $0.77 per share pursuant to the acquisition of HoK. The shares were earned by the Vendors as a result of HoK achieving a pre-determined revenue related milestone for the calendar year ended December 31, 2021.

On February 24, 2022, the Company announced entering into a letter of intent (“**LOI**”) to acquire the Development Division of LACA Solutions Corporation subject to a definitive agreement and regulatory approvals. The Company did not proceed with the transaction contemplated under the LOI. On March 17, 2022, the Company appointed Ben Yu as a new member of its strategic advisory board. The Company granted 50,000 incentive share purchase options to Mr. Yu. Each share purchase option is exercisable for a period of two years at an exercise price of $0.80 per common share of the Company. The options vest after four months from the grant date

On March 17, 2022, the Company retained the services of Hybrid Financial Ltd. (“**Hybrid**”) to provide marketing services (the “**Services**”) to the Company. Hybrid was engaged to heighten market and brand awareness for the Company and to broaden the Company's reach within the investment community. Hybrid was engaged by the Company for an initial period of twelve months (the “**Initial Term**”) and thereafter renewable automatically for successive six-month periods, unless terminated by the Company in accordance with the Agreement. Hybrid was paid an up-front cash fee of $80,000 and a monthly cash fee of $22,500, plus applicable taxes, during the Initial Term. Hybrid is arm’s length from the Company and does not currently own any of the Company’s securities.

On March 17, 2022, the Company filed a non-offering preliminary short form prospectus with the Commissions and on SEDAR. The non-offering preliminary short form prospectus was subsequently withdrawn on September 14, 2022.

On April 12, 2022, the Company appointed Arjun Krishan Kalsy, VP Growth at Polygon, based in Dubai, UAE to its Advisory Board. Arjun Krishan Kalsy is currently focused on helping blockchain developers build for scalability and great user experiences via his central role at Polygon.

On April 12, 2022, the Company appointed Nuseir Yassin, CEO of Nas Academy in Los Angeles, CA, to the Company’s strategic Advisory Board. Nuseir Yassin is a vlogger who is most notable for creating “Nas Daily”, which was a project that included 1,000 one-minute videos uploaded daily to Facebook.

The Company granted of 50,000 options each of the two newly appointed advisory board members. Each share purchase option is exercisable for a period of two years at an exercise price of $0.75 per common share of the Company. The options vest after four months from the grant date.

On April 14, 2022, the Company appointed Tom Sweeney to its strategic advisory board. Mr. Sweeney is a seasoned executive with over 25 years of experience in cross-border technology investing, fund management and corporate strategy. The Company granted 50,000 incentive purchase options to Mr. Sweeney. Each share purchase option is exercisable for a period of two years at an exercise price of $0.75 per common share of the Company. The options vest after four months from the grant date.

On April 14, 2022, the Company announced that pursuant to its shareholder approved restricted share unit plan (the “**RSU Plan”**), it has granted an aggregate of 5,925,000 RSU’s to directors, officers and consultants (the “**Eligible Parties**”) of the Company. The RSUs that have been granted to directors of the Company will vest over a period of 18 months. Of the aggregate RSUs granted, 25,000 RSUs have been granted to Meadowbank Holdings Inc. ("**Meadowbank**"). As reported by the Company on October 24, 2021, the Company engaged an affiliate of Meadowbank to provide investor relations, capital markets and corporate development advisory services. These additional RSUs granted to Meadowbank are in addition to the previously reported compensation paid to Meadowbank for its services. Meadowbank and its affiliates are unrelated and unaffiliated entities of the Company. The RSUs entitle the Eligible Parties the ability to acquire one common share (a “**Share**”) of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the

RSU Plan for a period of five years from issuance. In accordance with the RSU Plan, the RSUs were priced at $0.70 based on the previous closing price on the trading day prior to the RSU grant.

On April 19, 2022, the Company reported gross proceeds totaling approximately $2.59 million from its virtual land sale. The land sale consisted of four-acre parcels of virtual land (with each parcel being a "Pocket Dimension"). Pocket Dimension features 10 different environments including Archipelago, Countryside, Dale, Dunes, Fjord, Marsh, Savanna, Tundra, Woodland and Zen. Each environment will offer users various forms of utility including but not limited to hosting events, renting out space, integrating custom structures and adding digital assets. Each Pocket Dimension is a private space representing an area size of approximately 4 acres in which owners can visit, invite friends, display NFTs, create settings, collaborate with others or facilitate experiences through various utilities and uses.

On May 27, 2022, the Company announce that it had engaged MarketAcross, an Israel-based public relations ("**PR**") firm, to enhance the visibility of the marketing initiatives of HoK. Located in Tel Aviv, MarketAcross describes itself as the world's leading blockchain PR ad marketing firm that provides complete end-to-end marketing solutions for blockchain firms.

On June 1, 2022, Ron Moravek was appointed as a member of the Company's Advisory Board. Mr. Moravek has over 25 years of experience in business development and is passionate about business and software innovation. The Company granted 50,000 incentive purchase options to Mr. Moravek. Each share purchase option is exercisable for a period of two years at an exercise price of $0.25 per common share of the Company. The options vest after four months from the grant date.

On July 28, 2022, the Company received approval from the Deposition Trust Company ("**DTC**") to make the Company's common share eligible to be electronically cleared and settled through DTC.

On August 9, 2022, the Company announced that it agreed to acquire 100% of Web 3.0 Holdings Corp. ("**Web 3.0 Holdings**"), a technology company that is addressing Business to Consumer ("**B2C**") and Business to Business ("**B2B**") infrastructure challenges within Web3 environments (the "**Acquisition**" or the "**Agreement**"). The Company agreed to pay the shareholders of Web 3.0 Holdings an aggregate of up to $3.15 million, payable in common shares of the Company at a deemed price per common share equal to the closing price on the day prior to the Agreement date. On September 8, 2022, the Company entered into an SPA and completed the Acquisition. In accordance with the SPA, as consideration for the Acquisition, the Company issued an aggregate 13,827,250 Common Shares at a deemed price of $0.15 per Common Share. The Company relied on Section 2.16 of the National Instrument – Prospectus Exemptions, also known as the take-over bid prospectus exemption in connection with the issuance of the consideration shares.

On September 8, 2022, the Company announced the appointment of Ryan Lange as the Director of Partnership for HoK.

On October 20, 2022, the Company announced that it has set the launch date for the next step in the staged release (the "Alpha Release") of its Pocket Dimension metaverse assets for November 1, 2022.

Significant Acquisitions

As described below, the Company completed the Transaction.

On September 29, 2021, the Company acquired 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. The Consideration Shares issued to the principal of HoK are 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 Common Shares at such time, and will be subject to the statutory four month and one day hold period. In connection with Transaction, the Company also 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.

3. DESCRIPTION OF BUSINESS

3.1 General Summary

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. Following completion of the Transaction its business is the business of HoK.

The Company specializes 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); (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) and manage a portfolio of royalty rights of the NFT collections.

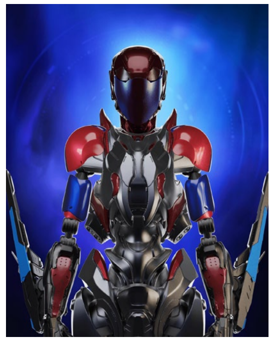
HoK has a tiered revenue model that began with the commercial launch of its Genesis Membership in the second quarter of 2021. The Company intends to leverage its relationships in the blockchain industry to capitalize on opportunities and drive returns from the following core business segments (collectively 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;
3. full-service NFT minting service;
4. transaction fees;
5. royalties;
6. merchandise sales;
7. utility service; and
8. advertising and sponsorship services.

The Company's roadmap for 2022 consists of additional NFT sales, 3D digital assets development as well as the further development of its GenZeroes multi-media franchise.

GenZeroes NFT Collection

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 ten 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. All 10,000 GenZeroes avatars 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. These avatars are typically used by the holders as their profile photo on various social media platforms. Below is an example of one of the avatars.



Through the Company's Production Subsidiary, the Company has produced a live-action/comic book format show consisting of eight (8) episodes (the "GenZeroes Series"). The GenZeroes Series may be viewed at https://genzeroes.com/[1]. The GenZeroes Series is inspired by the GenZero NFT collection that was previously released by the Company. The basic story behind the GenZeroes Series is set 200 years in the future when humankind has survived an alien attack on planet Earth. The GenZero Series follows the 10 factions of the GenZeroes avatars and their philosophy on how humanity should begin again after the alien attack.

Pocket Dimension Collection

The Pocket Dimension collection is an NFT collection that provides a holder access and control of a private space in the internet to socialize with other users. Each Pocket Dimension is a private space for holders of the specific NFT to visit, invite friends, and interact with the friends through the internet. All Pocket Dimensions have this same function. The difference between each Pocket Dimension is the aesthetics. There are ten types of Pocket Dimensions: Tundra, Dale, Woodland, Dunes, Savanna, Archipelago, Zen, Countryside, Fjord, and Marsh. Each type of Pocket Dimension represents a biome. For example, the Tundra Pocket Dimension represents an ice age biome; the Dale Pocket Dimension represents a forest biome, and the Dunes Pocket Dimension represents a desert biome. Holders of a Pocket Dimension NFT select a specific Pocket Dimension type/biome based on their personal preference.

Content Creation

The Company has an in-house design and blockchain development team, available to provide consulting services such as NFT design and back-end solutions to third-party clients.

Crypto Assets and Safeguards

The Company stores its Ethereum cryptocurrency ("**ETH**"), the main cryptocurrency used in NFT markets, on physical hardware device often referred to as a "hardware wallet". The hardware device is similar looking to a USB thumb drive, except instead of saving data to the device, the devices store cryptocurrency offline. The Company does not hold any other cryptocurrencies beyond ETH. The seed phrase to be used to retrieve the contents of the wallet if the ledger device is physically lost is maintained by two officers of the Company. If the ledger device is lost, the officers of the Company may gain access of the wallet by providing the correct seed phrase. The redundancy is to ensure that the seed phrase is available if required at any time. On a weekly basis, the Company assesses the cryptocurrency market conditions and its quarterly budget requirements while it monitors and liquidates its ETH holdings into Canadian currency on at least a bi-weekly basis by transferring the required ETH on a cryptocurrency exchange for immediate sale for Canadian currency.

Below is a summary of the options for any cryptocurrency holder to store their cryptocurrency, and the justification for why the Company has elected to store its cryptocurrency on a hardware wallet.

There are various options to store cryptocurrency including hardware devices (hardware wallet), software applications (hot wallet) and custodial (third-party). The Company has chosen to store its cryptocurrency on a hardware wallet until it decides to liquidate the ETH for Canadian currency, as cold wallet storage provides the Company with direct access and control of its ETH at all times.

	HARDWARE WALLET	**HOT WALLET**	**CUSTODIAL WALLET**
Description	Hardware that stores cryptocurrency offline.	Application that stores cryptocurrency online.	Another party, such as a crypto exchange, stores your cryptocurrency.
Benefits	Highest level of security.	Convenience and ease of use.	Simplest option and most convenient.
Drawbacks	Cost of device (~ $100) and inconvenience.	Security risk of storing cryptocurrency online.	Security risk of leaving cryptocurrency in another party's possession.

Hardware Wallet

A hardware wallet is an offline crypto wallet utilizing a hardware device. Hardware wallets are small devices that connect to your computer and store cryptocurrency. They connect to the internet when sending and receiving cryptocurrency, but, other than that, they keep cryptocurrency offline. Each hardware wallet has a recovery phrase (also known as a seed phrase). This phrase, which is a series of randomly generated words allows the wallet holder to recover the cryptocurrency if the device is lost. The words in the seed phrase may consist of 12 or 24 words and each word is randomly generated, and have no particular meaning when the 12 or 24 words are read in sequence.

Offline crypto storage is widely considered the best option from a security perspective. While cryptocurrency is held offline, it cannot be accessed or transacted by third parties. Cold wallets protect cryptocurrency from hackers and exchange outages. Using a cold wallet means that no one can access the Company's ETH and other cryptocurrencies without that specific hardware device or its backup seed phrase. With pin codes, passwords and biometrics (i.e. touch ID and facial recognition), cold wallets are the best way to protect (https://www.forbes.com/sites/forbes-personal-shopper/2021/07/19/best-crypto-wallet/?sh=f33dcc2b0093)

The biggest downside of cold wallets is the convenience factor. Since one needs to connect the hardware wallet to a computer to move cryptocurrency (i.e. move cryptocurrency to another address on the blockchain or to a cryptocurrency exchange to sell for currency), the process is slower than it would be if the cryptocurrency is kept online.

Hot Wallet

A hot wallet is an application that stores cryptocurrencies online. Hot wallets are typically available as desktop and mobile apps, and there are also web-based hot wallets. Hot crypto wallets have a few notable good points:

- They give control over crypto;
- Free to use; and
- Convenient - one can send and receive cryptocurrency very quickly with this type of wallet.

However, because hot wallets store cryptocurrency online, they carry the risk of being hacked if the computer using the hot wallet is compromised by a virus.

Custodial Wallet

A custodial wallet is when a third party holds cryptocurrency for the owner. The third party may hold the cryptocurrency, either through cold (offline) storage, hot (online) storage, or a combination of the two.

- Many investors use custodial wallets with no issues, and there are advantages to this type of wallet:
- It requires the least amount of work on the user's part;
- Provides easy to access to the cryptocurrency by logging into the third party's website; and
- No concerns about losing a wallet. As long as the owner can access its account with the third party, the owner can access the cryptocurrency being held on behalf of the owner.

However, as a third party controls and is in possession of the cryptocurrency, the owner is relying on its security measures implemented by the third party as well as the financial stability of the third party.

GENERAL INDUSTRY OVERVIEW

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.

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[1].

[1] "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/)

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[2].

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[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[4].

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[5]. 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.

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

---

[2] See Note 2
[3] See Note 2
[4] See Note 2
[5] https://www.reuters.com/technology/what-is-metaverse-2021-10-18/

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[6], 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 size, artist name scarcity etc.[7] 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[8]. 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[9].

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 value of NFTs purchased and sold[10].

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 and luxury brands like Nike (CryptoKicks) and Breitling (luxury watch digital certificates), entertainment and cinema brands like BBC Studios and Warner Music Group, technology and infrastructure companies like IBM and Samsung (with NFT support), and art and auction houses like Christie's (NFT-bound artwork) and Sotheby's, all either offered NFTs, supported NFTs or showed interest in NFT-related projects).[11]

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[12].

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.

---

[6] https://www.indiatimes.com/technology/news/non-fungible-tokens-history-crypto-digital-art-548624.html
[7] "Non-Fungible Tokens Yearly Report – 2020", page 3 (NonFungible.com)
[8] https://www.digitaltrends.com/features/what-are-nfts-non-fungible-tokens-history-explained/
[9] https://blog.portion.io/the-history-of-nfts-how-they-got-started/
[10] "Non-Fungible Tokens Yearly Report – 2020", page 26 (NonFungible.com)
[11] "Non-Fungible Tokens Yearly Report – 2020", pages 104-106 (NonFungible.com)
[12] https://www.coinspeaker.com/nft-market-2-5b-sales-h1-2021/

Intellectual Property

The Company believes its properties, namely HouseofKibaa.com and genzeros.com have intangible value, and the necessary and appropriate applications for associated rights are underway. The Company has also taken steps to register the following trademarks associated with the Company's business:

Summary of Trademark Portfolio
Applicant: Looking Glass Labs Ltd.

Matter	VL Ref:	Trademark	Jurisdiction	App. No.
1	T1	LOOKING GLASS LABS	Canada	2,150,389
			US	97/147,026
2	T2	AURA	Canada	
			US	
3	T3	UNFT	Canada	
			US	
4	T4	ADHARA	Canada	
			US	
5	T5	ADHARA & Design	Canada	
			US	

Summary of Trademark Portfolio
Applicant: HOK Technologies Inc.

Matter	VL Ref:	Trademark	Jurisdiction	App. No.
1	T1	HOUSE OF KIBAA	Canada	2,136,381
			US	97/050,010
2	T2	HOK	Canada	2,136,393
			US	97/050,044
3	T3	HK & Design	Canada	2,136,397
			US	97/050,069
4	T4	LOOKING GLASS	Canada	
			US	
5	T5	GENZEROES	Canada	2,140,520
			US	97/127,097
6	T6	GENZEROES & Design	Canada	2,147,378
			US	97/127,294
7	T7	GENX	Canada	2,140,521
			US	97/127,174
8	T8	ORIGIN	Canada	
			US	

Seasonality

The Company 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 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

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

Employees

As at the date of this AIF, the Company has ten employees, each of whom are full-time.

Competitive Conditions

The Company 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, the Company'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 the Company'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

The Company does not undertake any lending activities.

Bankruptcies, Receiverships and Similar Proceedings

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

Reorganizations

There has not been any material reorganization of the Company or HoK since its incorporation other than the completion of the Transaction.

3.2 <u>Risk Factors</u>

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 AIF could have a Material Adverse Effect.

This AIF 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 AIF. 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.

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 the 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 AIF, 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 Company'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 $11,906,878 and a net loss of $52,508 for the years ended July 31, 2022 and 2021. The Company's accumulated deficit as of July 31, 2022 was $12,511,090. 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. 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 of Directors 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 incur 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 companies 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 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 <1% of the Company's outstanding Common Shares. Accordingly, insiders of the Company will not likely be able to exercise effective control over all matters requiring the approval of the 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 the Company 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 can impersonate well known NFT artists and sell fake NFTs in their names. Other risks relate 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 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 Company's introduction of new or enhanced products and services. Furthermore, the Company'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 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 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.[13] 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.[14] 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[15]. 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"[16].

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

[13] https://mcmillan.ca/insights/nfts-and-implications-under-canadian-securities-law/
[14] https://www.sec.gov/rules/petitions/2021/petn4-771.pdf
[15] 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
[16] See Note 19

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 Company may adversely affect the value of the Company'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 Company 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 Company's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Company'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 assets, 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.

4. DIVIDENDS AND DISTRIBUTIONS

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

5. DESCRIPTION OF CAPITAL STRUCTURE

5.1 General Description of Capital Structure

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. There are 129,744,338 Common Shares issued and outstanding as of the date of this AIF.

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 Company 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.

Stock Options and RSUs

As recommended and approved by the directors, at the shareholders meeting held on January 4, 2022, shareholders approved the Company's stock option plan (the "**Stock Option Plan**") and the restricted share plan (the "**RSU Plan**", together, the “**2021 Plans**”) to grant stock options ("**Options**") and RSU’s to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company 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.

As of the date of this AIF, the Company has the following securities outstanding:

Designation of Security	Amount authorized	Outstanding as of the date of this AIF
Common Shares	Unlimited	129,744,338
Options	20% of issued and outstanding	19,410,418
RSUs		3,625,000
Warrants	N/A	12,031,800
Total Fully Diluted		**164,811,556**

5.2 Constraints

There are no constraints on the ownership of securities of the Company.

5.3 Ratings

Neither the Company, nor any of its subsidiaries, has received any ratings.

6. MARKET FOR SECURITIES

6.1 Trading Price and Volume

The Common Shares are listed and traded on the Neo Exchange under the symbol "NFTX". As the Common Shares became listed on the Neo Exchange on February 3, 2022, the historical monthly trading price ranges and volumes for the Common Shares during the fiscal year ended July 30, 2021 are not available. The following table provides the historical monthly trading price ranges and volumes for the Common Shares during the periods in which the Company traded, February 3, 2022 to the date of this AIF.

Date	Price Range (CAD$)		Volume (No. of Common Shares)
	High	Low	
February 2022	0.96	0.45	2,704,955
March 2022	0.95	0.74	2,120,523
April 2022	0.80	0.40	2,074,322
May 2022	0.42	0.22	609,486
June 2022	0.26	0.16	564,820
July 2022	0.20	0.15	188,059
August 2022	0.19	0.14	400,715
September 2022	0.21	0.13	1,489,435
October 2022	0.175	0.10	5,265,288

6.2 Prior Sales

During the fiscal year ended July 31, 2022 to the date of this AIF, the Company issued the class of securities in the following table:

Security	Date of Issuance	Number of Securities	Issue Price or Exercise Price per Security ($)	Expiry Date (if applicable)
Common Shares	September 15, 2021	7,500,000(1)	0.02	-
Common Shares	September 29, 2021	11,600,000(2)	0.10	-
Common Shares	September 30, 2021	45,000,000(3)	0.10	-
Common Shares	September 30, 2021	2,250,000(4)	0.10	-
Common Shares	September 30, 2021	200,000(5)	0.10	-
Common Shares	October 7, 2021	2,000,000(6)	0.10	-
Common Shares	November 10, 2021	5,000,000(7)	0.50	-
Common Shares	November 10, 2021	145,950(8)	0.50	-
Common Shares	February 11, 2022	250,000(9)	$0.10	-
Common Shares	February 25, 2022	2,592,205(10)	$0.77	-
Common Shares	April 14, 2022	33,333(11)	$0.10	-

Security	Date of Issuance	Number of Securities	Issue Price or Exercise Price per Security ($)	Expiry Date (if applicable)
Common Shares	April 22, 2022	4,450,000(12)	n/a	-
Common Shares	April 26, 2022	66,666(13)	$0.10	-
Common Shares	May 27, 2022	25,000(14)	n/a	-
Common Shares	September 7, 2022	13,827,25015)	$0.15	-
Common Shares	September 20, 2022	8,333(16)	$0.10	-
Warrants	September 15, 2021	7,500,000(17)	0.10	September 15, 2026
Warrants	November 10, 2021	5,000,000(18)	1.25	November 10, 2023
Warrants	November 10, 2021	31,800 (19)	1.25	November 10, 2026
Options	October 14, 2021	6,000,000	0.10	October 14, 2026
Options	February 7, 2022	5,000,000	0.65	February 7, 2027
RSU's	February 16, 2022	675,000	n/a	February 16, 2022
Options	March 16, 2022	50,000	0.80	March 16, 2027
Options	April 11, 2022	100,000	0.75	April 11, 2022
RSU's	April 13, 2022	5,925,000	n/a	April 13, 2027
Options	April 13, 2022	250,000	0.75	April 13, 2027
Options	June 1, 2022	50,000	0.25	June 1, 2024

(1) Common Shares and Warrants issued pursuant to non-brokered private placement of Units on September 15, 2021. For greater details, see "*General Development of the Business – Three Year History*".
(2) Common Shares issued pursuant to a non-brokered private place of Common Shares on September 29, 2021.
(3) Issued pursuant to the Transaction. For greater details, see "*General Development of the Business – Significant Acquisitions*".
(4) Issued to certain finders in connection with the Transaction.
(5) Common Shares issued in settlement of debt in the amount of $20,000.
(6) Common Shares issued pursuant to a non-brokered private place of Common Shares on October 7, 2021.
(7) Common Shares issued pursuant to a non-brokered private placement of Common Shares on November 10, 2021.
(8) Issued to certain finders in connection with the private placement of Common Shares on November 10, 2021.
(9) Common Shares issued pursuant to the exercise of warrants.
(10) Issued to HoK Technologies Inc. upon milestones being achieved. For greater details, see "General Development of the Business – Significant Acquisitions".
(11) Common Shares issued pursuant to the exercise of stock options.
(12) Common Shares issued pursuant to RSU conversions.
(13) Common Shares issued pursuant to the exercise of stock options.
(14) Common Shares issued pursuant to RSU conversions.
(15) Common Shares issued pursuant to the acquisition of 100% of Web 3.0.
(16) Common Shares issued pursuant to the exercise of stock options.
(17) Warrants issued pursuant to non-brokered private placement of units on September 15, 2021.
(18) Warrants issued pursuant to non-brokered private placement of units on November 10, 2021.
(19) Issued to certain finders in connection with the private placement of Common Shares on November 10, 2021.

For greater details, see "*General Development of the Business – Three Year History*".

7. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

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

Designation of Security	Number of Securities subject to the Escrow Agreement	Percentage of Class/Type (%)
Common Shares	27,675,500	21.33%(1)
Options	1,312,500	1.01%(2)
Warrants	3,750,000	2.89%(3)

(1) An aggregate of 129,744,338 Common Shares were issued and outstanding as at the date of this AIF.
(2) An aggregate of 19,410,418 Options have been granted as at the date of this AIF.
(3) An aggregate of 12,031,800 Warrants have been issued as at the date of this AIF.

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 (each a "**Lock-Up Agreement**"). 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. As at the date of this AIF, there are 10,152,998 Lock-Up Shares.

8. DIRECTORS AND EXECUTIVE OFFICERS

8.1 Name, Occupation and Security Holding

The following table sets the name, residence and principal occupation of each director and executive officer of the Company. In addition, the table shows the date on which each individual first became a director and/or officer and the number of Common Shares and other securities that each individual beneficially owns, or exercises control or direction over, directly or indirectly, as of the date of this AIF. The information as to shares owned beneficially, not being within the knowledge of the Company, has been forwarded by the directors and officers individually.

<table>
<tr><th>Name of Director / Officer</th><th>Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed</th><th>Number of
Other Securities Held</th></tr>
<tr><td colspan="3">Dorian Banks</td></tr>
<tr><td rowspan="4">British Columbia, Canada
CEO since August 25, 2021</td><td rowspan="3">200,000</td><td>500,000 Options</td></tr>
<tr><td>100,000(1) RSU's</td></tr>
<tr><td>200,000 Warrants</td></tr>
<tr><td colspan="2">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.</td></tr>
</table>

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Other Securities Held
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 Chartered Professional Accountant in Victoria, BC where he provides accounting, tax and business advisory services.	
William Neil Stevenson-Moore		
British Columbia, Canada CPO since November 9, 2021	400,000	500,000 Options 100,000[1] RSU's 200,000 Warrants
	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[5]		
British Columbia, Canada Director since October 14, 2021	Nil	150,000[2] Options 50,000 RSU's
	Principal Occupation for the past five years: Mr. O'Flaherty is a qualified Chartered Accountant in Canada.	
Carl Chow[5]		
British Columbia, Canada Director since October 25, 2021	Nil	150,000 Options 50,000 RSU's
	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[5]		
Ontario, Canada Director since September 15, 2021	Nil	250,000[3] Options 525,000[4] RSU's
	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) Subject to achieving certain milestones.
(2) 150,000 Options are held through OPC Holdings Ltd., a private company controlled by Mr. O'Flaherty.
(3) 250,000 Options are held through 2802421 Ontario Inc., a private company controlled by Mr. Deffett.
(4) Of this amount, 475,000 are subject to achieving certain milestones.
(5) Member of the committee of the Board (the "**Audit Committee**").

As of the date of this AIF, the directors and executive officers of the Company as a group, directly or indirectly, beneficially owns or exercises control or direction over 600,000 Common Shares, representing approximately 0.46% of the issued and outstanding Common Shares on a non-diluted basis (or 2,175,000 Common Shares representing approximately 1.68% of the total outstanding Common Shares on a fully diluted basis.

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 Company 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 Company. 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.

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

In the following table, "Audit Fees" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related Fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax Fees" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit / Audit Related Fees	Tax Fees	All Other Fees
July 31, 2022	$40,079	Nil	Nil
July 31, 2021	$5,567	Nil	Nil

The Company's Audit Committee Charter is attached hereto as Schedule A.

Management and Directors

The following is a brief description of the key members of management and directors of the Company:

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-and-coming 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 Chartered Professional Accountant 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.

William 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 LG Labs and will be instrumental in developing an exciting go-to-market strategy for the Company.

Patrick O'Flaherty – Director, 47- 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 – Director, 52 - 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 – Director, 42 - 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.

8.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Company, no director, officer or promoter of the Company, or a securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been, within 10 years before the date of this AIF, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable securities laws, for a period of more than 30 consecutive days; or

(b) was subject to a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable securities laws, for a period of more than 30 consecutive days 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.

Bankruptcies

Other than as noted below, to the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in 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; or

(b) has, within the 10 years before the date of this AIF, 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 shareholder.

William Neil Stevenson-Moore entered into a consumer proposal (#11-2028465) in August 2015 filed in the Province of British Columbia. The consumer proposal was connected to a motor vehicle accident. The consumer proposal was discharged in July 2020.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) 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

(b) 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.

8.3 <u>Conflicts of Interest</u>

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests with they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the knowledge of the Company, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management, as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promotes and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

9. PROMOTERS

There are no promoters of the Company.

10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

To the knowledge of the Company, no director, officer or promoter of the Company, or a securityholder holding sufficient securities of the Company to affect materially the control of the Company, has:

(a) 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

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the closing of the Transaction as disclosed at *Section 2 – General Development of the Business – 2.2 Significant Transactions* of this AIF, no director, executive officer or principal shareholder of the Company, or an Associate or Affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this AIF or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

12. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for its Common Shares is Endeavor Trust Corporation, of Suite 702 – 777 Hornby Street, Vancouver, BC V6Z 1S2.

13. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company during the year ended July 31, 2022 and to the date hereof which are currently in effect and considered to be material:

(a) the Definitive Agreement, as described elsewhere in this AIF;

(b) the Escrow Agreement, as described elsewhere in this AIF;

(c) the Lock-Up Agreement as described elsewhere in this AIF; and

(d) the SPA, as described elsewhere in this AIF.

The Company confirms that it has posted on SEDAR all material contracts listed in this AIF.

14. 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 AIF or as having prepared or certified a report or valuation described or included in this AIF holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. WDM Chartered Professional Accountants is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

15. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's audited financial statements and related management discussion and analysis for its financial year ended July 31, 2022, available on SEDAR at www.sedar.com

In addition, the Company's Audit Committee Charter is attached hereto as Schedule "A".

SCHEDULE A

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the “Audit Committee”) of the directors of the Company (the “Board”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and review the Company's procedures for the:
    - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
    - internal controls or auditing matters; and
    - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.