

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs Agrees to Monetize GenZeroes Productions Inc. and GenX Smart Contract

Upon Closing, the Company Shall Receive a Secured Convertible Promissory Note and a 50% Royalty on All Net Proceeds From GenZeroes Productions Inc.

Vancouver, British Columbia – March 20, 2023 / Globe Newswire / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX) (AQSE: NFTX) (OTC: LGSLF) (FRA: H1N), a leading Web3 platform specializing in immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies, announces that it has entered into a letter of intent (the “LOI”) to vend GenZeroes Productions Inc. (“GenZeroes”), the GenX smart contract (“GenX”) and all associated intellectual property (the “Related IP”) (collectively, the “Assets”) to GenZeroes Universe Inc. (the “Purchaser”) lead by: Aleks Paunovic, an actor and producer as well as a cast member of GenZeroes; Rick Dugdale, a director and producer, and founder of Enderby Entertainment; and Neil Stevenson-Moore, the Chief Product Officer of LGL (the “Transaction”).

GenZeroes Productions is the owner of and produced a live-action series consisting of live-action episodes and comics in the science fiction genre, with lore that includes references to the GenX collection (a collection of robot characters created by artists). The live-action series may be viewed at the following link: <https://genzeroes.com/>

Upon acquisition of the Assets, the Purchaser intends to leverage the experience of its leadership team to further develop GenZeroes and explore opportunities to monetize the Assets in the entertainment and film industry. The proposed Transaction will provide LGL with the opportunity for future revenue from GenZeroes without the requirement of further capital investment. The proposed Transaction remains subject to the entering into of definitive agreements and standard closing conditions for a transaction of this nature. The Company will provide an update on the closing of the Transaction contemplated under the LOI as necessary.

Based on the Purchaser’s strong relationships within the entertainment industry, it is viewed by LGL management as being well positioned to maximize the value of GenZeroes and GenX for the mutual benefit of itself, the Company as well as the GenZeroes and GenX communities. Concurrent with the closing of the proposed sale of the Assets, Neil Stevenson-Moore shall resign from the Company to focus on developing GenZeroes through the Purchaser.

As consideration for the Assets the Company shall receive a promissory note (the “Note”) for CA\$800,000 bearing an interest rate of prime rate plus 1% and a five-year term to maturity, with the option by the Purchaser to extend the term for an additional five years. The Company shall also retain a 50% royalty in perpetuity on all net proceeds from the entity GenZeroes Productions Inc., which relates to the already

completed first season of the GenZeroes series. The Note shall be secured against the shares of GenZeroes Productions Inc. and the Related IP.

In addition to the LOI, management has initiated a process to evaluate potential strategic alternatives with a view to preserve or maximize shareholder and user value.

Pocket Dimension

Upon closing of the transactions, the Company will continue to focus on building its Pocket Dimension product and seeking partnerships. Pocket Dimension is a private virtual space representing an area size of approximately four acres in which parcels provide their owners, held through NFTs, the ability to explore the virtual space and socialize with other users, through avatars, within the virtual world. The Pocket Dimension metaverse is a digital world that has been built using the latest version of Unreal Engine in order to offer users a high-fidelity virtual experience. Each Pocket Dimension features one of eleven different environments including Archipelago, Countryside, Dale, Dunes, Fjord, Marsh, Savanna, Tundra, Woodland and Zen, and Genesis Moon.

The Company released the beta version of Pocket Dimension on February 21, 2023. During the beta phase, the Company is collecting feedback from users to address technical glitches. The Pocket Dimension Beta version has been built upon the previous updates included in the alpha release, which brought the following upgrades to users:

- 11 unique four-acre parcels of ultra-realistic land;
- Two stock playable avatars;
- Four NFT art galleries displaying stock artwork;
- Non-player character host interactions; and
- The Gutter Trap House in affiliation with the Gutter Cat Gang.

By the end of the second calendar quarter, the Company expects to finalize its Pocket Dimension with improvements to certain bugs identified during the beta phase while seeking other Web 3.0 communities to participate in the metaverse.

Overlords

Overlords is a digital battle game where opponents battle one another and are represented by avatars from the GenX avatar collection. The Company has developed Overlords to an early alpha stage that provides a playable demo featuring early game concepts and interfaces. LGL is currently seeking partners to further develop Overlords into a version to be made available for the gaming community.

Genesis Membership

The HOK genesis memberships granted owners access to members-only benefits including airdrops, private discord access, and presale opportunities for Web3 community initiatives. The Company has updated its mandate with the goal of reducing cash burn. The Company has two further airdrops scheduled featuring the Qt-Bot, which is designed to be an in-app NPC (Non-playable Character) feature for future versions of Pocket Dimension.

Other than as described in this press release, the Company has not made any decisions related to other strategic alternatives at this time and there can be no assurance that the continued evaluation of strategic alternatives will result in any strategic alternative, or any assurance as to its outcome or timing. It is the

Company's current intention not to disclose developments with respect to the process unless and until its board of directors has approved a specific transaction or otherwise determines that disclosure is necessary or appropriate. We caution that there are no assurances or guarantees that the strategic alternative review process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction.

Management Commentary

“The team at our flagship subsidiary, House of Kibaa, did a great job of generating value by creating GenZeroes and GenX from scratch, we feel that GenZeroes and GenX will be better positioned to flourish with the new leadership team. This proposed transaction provides LGL with an opportunity for future revenue without further investment,” said Dorian Banks, Chief Executive Officer of LGL. “Once the transaction is closed, LGL will continue to focus on its Pocket Dimension metaverse and providing digital design and other consulting services to third parties in the Web 3.0 space,” added Mr. Banks.

Related Party Transactions

Due to Neil Stevenson-Moore's position as an officer of the Company and position as shareholder of the Purchaser, the Board has determined that the purchase of the Assets by the Purchaser and the Transactions may constitute a "related party transaction" under Multilateral Instrument 61-10 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, specifically: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a), as the fair market value of the Transactions does not exceed 25% of the Company's market capitalization (as determined under MI 61-101), and (ii) the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Transactions does not exceed 25% of the Company's market capitalization (as determined under MI 61-101).

ABOUT LOOKING GLASS LABS

Headquartered in Vancouver, British Columbia, LGL is a leading Web3 innovation platform specializing in consumer engagement applications to leverage immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies. Its leading brand, House of Kibaa ("**HoK**"), designs and curates a next generation metaverse for 3D assets, which allows functional art and collectibles to exist simultaneously across different NFT blockchain environments.

To view LGL's current investor presentation, please visit <https://www.lgl.io/investors>.

To join LGL's mailing list, please subscribe via the following link: <https://www.lgl.io/contact-us>.

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

“Dorian Banks”

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Forward-Looking Information

This news release contains “forward-looking statements.” Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things: the Transaction, the sale of the Assets to the Purchaser and expected results of the Transaction, the expected benefits of the Transaction to the GenZeroes and GenX communities, the continued development of Pocket Dimension, development of immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies; pursuing partnerships to monetize blockchain and Web3 opportunities; and the near-term projects and future projects.

The material assumptions supporting these forward-looking statements include, among others, that: the Company could mitigate the risks associated with the blockchain and NFT industry; the ability to compete with other businesses in the NFT market; the availability of sufficient funding to carry out the Company's business development plans; favourable market conditions; the ability of HoK to sell all or substantially all of its product offerings; and the market acceptance for its products.

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

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

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

Any of these risks may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although the Company has attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially

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

SOURCE: LOOKING GLASS LABS LTD.