

Form 51-102F3

Material Change Report

Item 1 Name and Address of Issuer

Looking Glass Labs Ltd. (the "Issuer")
810 – 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2 Date of Material Change

March 30, 2023

Item 3 News Release

The news releases were disseminated through GlobeNewswire on March 30, 2023 and were subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Issuer announced the completion of the sale of GenZeroes Productions Inc. ("GenZeroes"), the GenX smart contract ("GenX") and all associated intellectual property (the "Related IP") (collectively, the "Assets"), to GZU Entertainment Inc. ("GZU").

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Issuer announced that it has completed the sale of the Assets to GZU.

As consideration for the sale of the Assets, the Issuer received a promissory note ("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 GZU to extend the term for an additional five years. The Issuer has retained a 50% royalty in perpetuity on all net proceeds from the content owned by the entity GenZeroes, which relates to the already completed first season of the GenZeroes series. The Note shall be secured against the shares of GenZeroes and the Related IP. As a condition of closing the sale, GZU has also granted to the Issuer a non-exclusive and royalty-free license (the "IP License") to use the GenX collection's intellectual property for its metaverse product branded as Pocket Dimension and video game branded as Overlords. The term of the IP License is for a period from the closing date until the Note is fully paid.

GZU's team is led 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 ("CPO") of the Issuer. Concurrent with closing the sale of the Assets, Neil Stevenson-Moore has resigned from the Issuer to focus on developing GenZeroes as a member of the GZU's team.

Due to Neil Stevenson-Moore's position as the CPO of the Issuer and position as a shareholder of GZU, the Issuer determined that the purchase of the Assets by GZU and the related transactions may constitute a "related party transaction" under Multilateral Instrument 61-10 - Protection of Minority Security Holders in

Special Transactions ("MI 61-101"). The Issuer 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 Issuer'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 Issuer's market capitalization (as determined under MI 61-101).

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Dorian Banks, Chief Executive Officer
Business Telephone: 604-687-2038

Item 9 Date of Report

April 10, 2023