

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Hydro66 Holdings Corp. (the "Issuer" or the "Company")

Trading Symbol: SIX

Number of Outstanding Listed Securities: 127,000,000

Date: January 7, 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

At the end of the month 1.9 MW was operating in the Hydro66 datacenter in Boden, Sweden.

Revenue for the month was approximately \$575,000. EBITDA for the month was approximately (\$188,000).

2. Provide a general overview and discussion of the activities of management.

Management continued to operate its datacenter in Boden, north of Sweden.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

No new business relationships in December 2018.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

During the month Hydro66 signed a single rack, 3-year contract with a Swedish Enterprise customer who provides an alarm, monitoring and IT communication service that is used by many organizations across Sweden. Their colocation service with Hydro66 started in December 2018.

During the month a customers running 1.0 MW of High Performance Computing kit ended their contract and left the building. Hydro66 typically contracts with HPC customers for periods of 12 months.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

On December 19, 2018 the company entered into a secured convertible loan agreement with certain shareholders and directors of the Company (the "Loan Agreement"), including David Rowe and Robert Keith, who are both significant shareholders of the Company. The maximum amount of the loan will be C\$4,000,000 (the "Loan") in the aggregate with the initial advance of C\$1,706,895 to be advanced on or before January 4, 2019 (using a Bank of Canada exchange rate on December 17, 2018 for conversion of amounts advanced in USD to Canadian dollars) (the "Initial Advance"). The remaining amounts of the Loan may be requested by the Company, if necessary, on or before December 31, 2019, in the same amounts as advanced by such Lender under the Initial Advance. The Company will request that any amount advanced be made in Canadian dollars, however, the Company acknowledges that the lenders may make advances in either British Sterling or USD.

The Loans will be evidenced by secured convertible promissory notes in favour of each lender for each advance under the Loan (the "Notes"). The maturity date of the principal amount, interest and any fees of the Loans is seven years from the date of the Initial Advance and the rate of interest is 10% per annum. The interest for the initial two (2) years of the Loan shall not be payable until such time as the Loan is repaid in full.

The Loans will be secured by a general security interest over all of the assets of the Company, and through a guarantee of the Company's operating subsidiary in Sweden. Under the general security agreement, the Company will agree, among other things, to not pledge, sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent of the Note holders. The Notes issued pursuant to the transaction and any Common Shares issued on conversion of the Notes will be subject to a statutory hold period in Canada of four months and one day following the issuance of the Notes in accordance with applicable securities laws. Additional resale restriction may be applicable under the laws of other jurisdictions.

14. Provide details of any securities issued and options or warrants granted.

None granted during the month of December 2018.

15. Provide details of any loans to or by Related Persons

Refer to point 13.

16. Provide details of any changes in directors, officers or committee members.

There were no changes during the month of December 2018.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The very cold winter in 2017/2018 followed by the unseasonably hot summer across Northern Europe in 2018 has resulted in higher power input prices across the region. We expect power prices to fluctuate and have an active hedging policy. We anticipate that power input prices will revert to historical means.

There continues to be headwinds for our HPC customers who are providing hashing services to mining pools as digital currency prices have seen significant price decline in recent months coupled with high levels of difficulty. These factors impact the viability of their business models. Hydro66 continues to contract with a number of customers totaling 5.0 MW who have requested their kit be powered down for the time being. Hydro66 continues to charge a space rental fee for these customers.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 7, 2019.

Juliet Pedrazas
Name of Director or Senior Officer

"Juliet Pedrazas"
Signature

CFO
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/DD
Hydro66 Holdings Corp.	December 31, 2018	19/1/07
Issuer Address		
736 Granville St., Suite 1100		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6Z 1G3	-	416-941-1071
Contact Name	Contact Position	Contact Telephone No.
Juliet Pedrazas	CFO	+44 7801 576149
Contact Email Address	Web Site Address	
juliet.pedrazas@hydro66.com	www.hydro66.com	