

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **LUXXFOLIO Holdings Inc. (the “Company”)**

Trading Symbol: **LUXX**

Number of Outstanding Listed Securities: **23,873,415 common shares**

Date: **January 7, 2021**

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.

The Company’s sole business is that of its wholly owned subsidiary LUXXFOLIO Network Inc. (“LNI”). LNI is a financial technology company that

utilizes secure permission-based technology, record keeping, and other trust-based authentication tools for asset monetization of real or digital unique identifiable assets (UIA's). The Company provides a liquid alternative for exposure to the UIA's registered on the platform for the broader capital markets. During the month of December 2020, the Company continued to discuss with its team, industry contacts and developers, additional innovative applications, and further improvements to the Platform. Furthering business development, the Company continued discussions with, and exploring potential partnerships with business users of the technology platform.

On December 2, 2020, the Company closed its sixth and final tranche of a non-brokered private placement for special warrants (the "Special Warrant Offering"). Under the Special Warrant Offering, an aggregate of 5,000,000 special warrants (the "Special Warrants") were issued for total gross proceeds of \$250,000.

On December 30, 2020, the Company completed a non-brokered private placement of 5,200,000 common shares in the capital of the Company at a price of CAD \$0.075 per common share (the "Common Share Offering") for total gross proceeds of \$390,000.

The securities of both private placements are subject to hold periods of four-month plus a day from the date of issuance as required under securities laws. See item 14 below for more details about the attributes of the Special Warrants.

On December 16, 2020, the Company granted stock options to certain directors, officers, and consultants of the Company to purchase an aggregate of 1.3 million common shares in the capital of the Company. See item 14 below for details on the stock options.

On December 24, 2020, the Company announced that LNI had placed an order for 590 bitcoin miners ("Assets") with an aggregate operating hash power of 53.1 Petahash (PH) per second. The cost of the Assets is approximately USD\$1,990 per unit or USD\$1,174,100 and will be purchased through an asset backed lending structure sponsored by Arctos Capital, a San Francisco based technology-driven commercial lender that provides financing solutions to crypto mining businesses.

The activities above were announced via a news release and material change reports, which are available under the Company's profile on SEDAR.

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

During December, the Company's management continued to explore possible strategies for the Company's technology and business, holding weekly team meetings for updates and progress. Management continued to

discuss and pursue its strategic review that was originally announced in December 2019. The review includes the non-binding Term Sheet with Ocean Falls for the Transaction, the details of which are more fully discussed in item 5 below and the purchase of 590 bitcoin miners per the announcement disclosed in item 1 above.

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.

None.

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.

None.

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.

LNI entered into a master equipment finance agreement with Arctos Credit, LLC to finance the purchase of the 590 bitcoin miners (The "Finance Agreement"), disclosed in item 1 above, via an asset backed lending structure. For more information on the financing, see item 13.

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.

None.

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 provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.
None.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
None.
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.
None.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
Under the Financing Agreement disclosed in item 5, LNI acquired \$749,833.55 CAD in financing to purchase 590 Bitcoin miners. The financing is for a term of 19 months. The first 4 months shall be interest-only payments, bearing an interest rate of 16%, after which equal monthly payments, of interest and principal, will be made.
14. Provide details of any securities issued and options or warrants granted.
Special Warrant Offering
On December 2, 2020, the Company completed its sixth and final tranche of the Special Warrant Offering, consisting of the sale of a total of 650,000 Special Warrants for gross proceeds of \$32,500.00. A total of 5,000,000 Special Warrants were issued under the Special Warrant Offering for total gross proceeds of \$250,000.00 to use for general working capital and to enable the Company to continue pursuing the strategic review and related opportunities.

Each Special Warrant is non-transferable and will entitle the holder to automatically receive, without payment of additional consideration, one common share in the capital of the Company on the earlier of:

- (a) 5 business days after the holder elects to convert all of their Special Warrants;
- (b) the day the Company has cumulatively raised \$500,000 via equity financings after the close of the Offering; and
- (c) the day that is three years after the date of the close of the Offering.

The holder of a Special Warrant will have limited voting rights on certain corporate matters including share consolidations and election of directors. The Company may also seek the approval of the Special Warrant holders for private placements or public offerings for the sale of equity securities of its own issuance after the close of the Offering.

Each Special Warrant and the common share to be issued on its conversion are subject to a hold period of four months and one day from the date of the Special Warrant was issued.

Common Share Offering

On December 30, 2020, the Company completed a non-brokered private placement of 5,200,000 common shares at a price of \$0.075 per common share for total gross proceeds of \$390,000.

The common shares are subject to a hold period of four months and one day from the date of issuance.

Stock Options

On December 16, 2020, the Company granted stock options to certain directors, officers, and consultants of the Company to purchase an aggregate of 1.3 million common shares in the capital of the Company. The expiry date of the stock options is December 16, 2025. The stock options vest over a 24-month period, at a rate of 25% after each 6 months, and have an exercise price of \$0.075 per share.

Total options granted represented 7.4% of the issued and outstanding common shares on the date they were granted. Prior to this granting of options, no other options had been granted.

The closings for the Special Warrants and Common Shares Offerings and the granting of the stock options were all announced via news releases and material change reports, where applicable, all of which are available under the Company's profile on SEDAR.

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

None.

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

The Issuer is subject to the risk factors disclosed in the Company's Management Discussion and Analysis, dated December 22, 2020, and filed with the Exchange.

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, 2021**.

Dean Linden-----
Name of Director or Senior
Officer



Signature
Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer LUXXFOLIO Holdings Inc.		For Month End December 2020	Date of Report YY/MM/DD 21/01/07
Issuer Address 212, 1080 Mainland St., Canada			
City/Province/Postal Code Vancouver / BC / V6B 2T4		Issuer Fax No. ()	Issuer Telephone No. (888) 928-8883
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