

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: **February 4, 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”). The company utilizes secure permission-based technology, record keeping, and other trust-based authentication and

mining tools for asset monetization of real or digital unique identifiable assets (“UIAs”). It provides a liquid alternative for exposure to the UIAs for the broader capital markets. During the month of January 2021, 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.

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

During January, 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. This included the ongoing review related to the non-binding Term Sheet with Ocean Falls, as disclosed in the monthly progress report for November 2020, and other data centres.

On January 18, 2021, the Company announced that LNI closed an asset backed lending facility (“ABLF”) with Arctos Capital, LLC in connection with its previously announced purchase of 590 bitcoin miners (“Miners”) scheduled for delivery in May 2021. The ABLF amounted to \$880,575 USD representing 75% of the purchase price of \$1,174,100 USD with the remaining 25% paid by the Company. The activities above were announced by news releases, which are available under the Company’s profile on SEDAR.

On January 6 and 9, 2021, the Company held its annual management strategy meetings and corporate planning sessions.

The Company’s annual general meeting of shareholders was held on January 8, 2021. Based on the proxies and votes received, all four nominees listed in the management information circular dated December 4, 2020, (the “Information Circular”), a copy of which can be found under the Company’s profile in SEDAR, were re-elected as directors of LHI. Smythe LLP was re-appointed as independent auditor of the Company. Additionally, it was resolved by special resolution, that the articles of the Company be amended to include provisions setting out the rights and restrictions of the common shares and the preferred shares, in the manner outlined in the Information Circular.

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.

Subsequent to structuring the ABLF, CHP Agent Services Inc. ("CHP") entered into a partnership agreement with Arctos Credit, LLC to acquire a participation interest in the ABLF (the "Participation").

CHP, LNI, and the Company have certain common directors, officers, and insiders. As such, the Participation was a related party transaction as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Based on section 5.5(b) of MI 61-101, the Company was exempt from having to obtain a formal valuation. The Company relied upon section 5.7(1)(a) of MI 61-101 to be exempt from the minority approval requirement on the basis that neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Participation exceeded 25% of the Company's market capitalization at the time of the transaction.

The Participation transaction was announced via a news release and material change report, both of which are available under the Company's profile on SEDAR.

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.
The Company abandoned its trade-mark applications for LUXXFOLIO.
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.
As discussed in items 2 and 5 above, LNI obtained the ABLF. The ABLF carries an interest rate of 16% and a term of 19 months with interest only payments of \$7,827 USD for the initial four months, and principal and interest amounting to \$65,160 USD for the remaining 15 months of the term.
In addition to the news releases and material change report noted in items 2 and 5 above, the ABLF is discussed in the Company's interim condensed consolidated financial statements and MD&A dated January 28, 2021, which are available under the Company's profile on SEDAR.
14. Provide details of any securities issued and options or warrants granted.
In the month of January, there were a total of 1,026,000 common shares issued from treasury, of which 426,000 of those common shares resulted from the exercise of 426,000 share purchase warrants, each entitling the holders to purchase one share at an exercise price of \$0.20 per share. The share purchase warrants were issued on April 11, 2019. The remaining

600,000 common shares were issued as a result of the conversion of special warrants obtained by the holders in the previously announced special warrant offering that closed on December 2, 2020. The holders purchased their special warrants at a per unit price of \$0.05 and per the terms and conditions of the special warrants, each special warrant entitles the holder to automatically receive, without payment of additional consideration, one common share in the capital of the company within 5 business days after the holder elects to convert all of their special warrants.

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 January 28, 2021, 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 **February 4, 2021**.

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



Signature
Chief Executive Officer
Official Capacity

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| <i>Issuer Details</i> Name of Issuer LUXXFOLIO Holdings Inc. | For Month End January 2021 | Date of Report YY/MM/DD 21/02/04 |
| Issuer Address 212, 1080 Mainland St., Canada | | |
| City/Province/Postal Code Vancouver / BC / V6B 2T4 | Issuer Fax No. () | Issuer Telephone No. (888) 928-8883 |
| Contact Name Dean Linden | Contact Position CEO | Contact Telephone No. (604) 398-3837 |
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