

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **LUXX**

Number of Outstanding Listed Securities: **17,647,415 common shares**

Date: **August 9, 2020**

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 Issuer’s sole business is that of its wholly owned subsidiary LUXXFOLIO Network Inc. (“LNI”). LNI is a financial technology company that is focused on the development of a permissioned based distributed ledger platform (the “Platform”) to enable an organization or individual to authenticate, secure,

and track via a highly secure verifiable ledger their digital based assets, contracts and documents or physical based assets such as luxury or collector goods, and other unique products (“Uniquely Identified Assets” or “UIA”). The Platform aims to provide a secure and reliable place to authenticate and track UIA, and provide the ability to monetize or securitize these assets. During the month of July 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.

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

During July, 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. Strategic opportunities considered included: changes to capital structure; possible mergers, acquisitions, sales, or dispositions; the expansion of the Company’s wholly owned subsidiary’s authentication and distributed ledger technology the previously disclosed March 2, 2020, non-binding Letter of intent with Cypress Hills Partners Inc. (the “LOI”) and revisions to the terms of the non-brokered private placement (the “Offering”). On July 2, 2020, the Company announced that the Offering would be for Class A Convertible Preferred Shares (“Preferred Shares”) instead of common shares of the Company at a price of CAD \$0.05 per Preferred Share.

On July 3rd, the Company closed the first tranche of the Offering, consisting of the sales of 2,000,000 Preferred Shares for aggregate gross proceeds of C\$100,000.00, which will be used for general working capital and to enable the Company to continue pursuing the strategic review and related opportunities.

On July 17th, Company announced that Cypress Hills Partners Inc. accepted the proposal to extend the termination date of the March 2, 2020, LOI from July 5, 2020, to December 31, 2020, effective July 1, 2020. All other details of the LOI, which were disclosed by the Company on March 2, 2020, remain the same.

The revisions to the terms of the Offering, the closing of the first tranche of the Offering, and the extension of the termination date of the LOI were announced via separate news releases, which were disseminated on Baystreet and Stockwatch newswire services and are available for reference under the Company’s profile on SEDAR.

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.

The company engaged ENTAX Services Inc. for consulting services regarding the preparation and delivery of the Company's Canadian Scientific Research & Experimental Development ("SR&ED") Tax credit and British Columbia Provincial SR&ED claim for the taxation period of September 1, 2018, to April, 10, 2019. The fee will be based on 15% of the total Investment Tax Credit ("ITCs") earned per taxation period.

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.
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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.

None.

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

None.

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 Interim Management Discussion and Analysis, dated July 30, 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 **August 9, 2020**.

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



Signature
Chief Executive Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer LUXXFOLIO Holdings Inc.	For Month End July 2020	Date of Report YY/MM/DD 20/08/09
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