

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **LUXX**

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

Date: **April 6, 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 March 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. Regarding strategic direction, management continued its broad review of strategic alternatives. The result of such activities included the Company entering into a non-binding letter of intent with Cypress Hills Partners Inc. (“CHP”) dated March 2, 2020, the details of which are discussed in #5 below.

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

During March, 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 engaged in discussions with CHP a potential offer whereby LHI would provide the services of its blockchain platform in consideration of a revenue participation in a segment of CHP’s business. These discussions also involved a related non-brokered private placement. Management’s activities resulted in the Company entering into an LOI with CHP, dated March 2, 2020, the details of which are disclosed in #5 below.

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.

Letter of Intent with CHP:

On March 2, 2020, the Company entered into a non-binding letter of intent with CHP (the “LOI”) and announced its intention to undertake a non-brokered private placement in connection with the LOI. Under the terms of the LOI (the “Transaction”), the parties agreed to work towards a definitive agreement whereby the Company would provide CHP with the services of its permissioned based distributed ledger platform developed by LNI, to enable CHP to verify and authenticate its digital assets, including agreements and financial records and reports. As partial consideration for such services, CHP will issue to the Company a \$1,000,000 revenue participation note (“RPN”) in exchange for an estimated 20,000,000 preferred shares of the Company at an estimated per share price of \$0.05 (the “Preferred Shares”).

Terms of the Transaction:

The parties agreed to undertake good faith efforts to enter into the definitive agreement on or before July 05, 2020. Entry into the definitive agreement is subject to certain conditions including the completion of each party’s satisfactory due diligence review of the other, receipt of all necessary regulatory approvals, and the Company having, to the sole satisfaction of CHP, at least \$250,000 in working capital or unrestricted access to such amount for working capital purposes (the “Working Capital Condition”).

Non-Brokered Private Placement:

To satisfy the Working Capital Condition of the LOI, the Company will undertake a non-brokered private placement of up to 8,000,000 common shares at a price of CAD \$0.05 per common share. The private placement is subject to the approval of the Canadian Securities Exchange, with the securities subject to a four-month and one day hold period under securities laws.

Anticipated Terms of the RPN:

The RPN will permit the Company to participate, for a period of 20 years, in certain management fees received by CHP (the “Revenue”) via an annual payment of 6% of the value of the RPN and a yearly residual payout, the sum of which will be dependent on the amount of Revenue CHP receives. If agreed to by both parties, the value of the RPN may be increased by up to 50% in exchange for a cash payment by the Company to CHP equal to the value of such increase. CHP will have the right to prepay any portion of the RPN. If the Company raises at least \$10,000,000 within 3 years, of which

\$2,500,000 is via common equity financing, the Company will have a right of first refusal to purchase CHP's interest in the Revenues.

Anticipated Terms of the Preferred Shares:

The Preferred Shares will have voting rights equal to the Company's common shares and be convertible at no additional cost on a 1:1 basis into common shares of the Company. CHP will be entitled to return the Preferred Shares to the Company in exchange for the cancellation of the RPN if the Company is unable to raise at least \$3,000,000, of which \$750,000 is via common equity financing, within a 2-year period. Up to 50% of the Preferred Shares may be redeemed by the Company at the reasonable request of CHP.

Related Party Transaction:

The Transaction is expected to constitute a related party transaction as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") as CHP is a control person of the Company and Kelly Klatik, a director of the Company, and Dean Linden, the CEO of the Company, are CHP's directors, officers, and shareholders.

Under section 5.5(b) of MI 61-101, the Company will be exempt from the valuation requirement of MI 61-101 as the Company's shares are not listed on a specified market. The Company will also be exempt from the minority shareholder approval requirements of MI 61-101 under section 5.7(1)(e) of MI 61-101 as the directors, including all independent directors, have determined that the Company is in serious financial difficulty, the Transaction is designed to improve the Company's financial position, and the terms of the Transaction are reasonable given the circumstances of the Company.

The Company did not file a material change report 21 days prior to the LOI because the details of the terms of the Transaction had not been confirmed at that time. The LOI with CHP and the non-brokered private placement were announced via a news release, which was disseminated on Baystreet and Stockwatch newswire services and is available for reference 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.

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 November 30, 2019, and filed with the Exchange.

COVID-19:

In December 2019, the 2019 novel coronavirus (COVID-19) surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020, with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread globally causing companies and various jurisdictions, including Canada and the United States of America, to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions domestically and internationally and related financial impact cannot be reasonably estimated at this time. At this point, the extent to which COVID-19 may impact our results and business, including the Transaction under the LOI disclosed above, is uncertain, however, it is possible that our consolidated results in 2020 may be negatively impacted by this event. The impacts of the outbreak are unknown and rapidly evolving. The extent of the any impact, will depend on future developments, including actions taken to contain COVID-19.

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 **April 6, 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 March 2020	Date of Report YY/MM/DD 20/04/06
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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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