

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: **LUXX**

Number of Outstanding Listed Securities: **32,945,475 common shares**

Date: **April 6, 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 blockchain technology and other trust-based authentication (the “Platform”) and crypto**

mining tools for asset monetization of unique identifiable assets (UIAs). UIAs may include digital contracts, equipment, memorabilia, artwork, and crypto-assets. It provides a liquid alternative for exposure to the UIAs for the broader capital markets.

During the month of March 2021, the Company continued to discuss with its team, industry contacts and developers, additional innovative applications, and further improvements to the Platform. This activity included the expansion of LNI's 2021 development plan to include Non-Fungible tokens ("NFT"), as discussed in section 2 below. Furthering business development, the Company continued discussions with, and exploring potential partnerships with data centres and potential business users of the Platform.

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 continued to discuss and pursue its strategic review that was originally announced in December 2019, including the binding term sheet entered into with WestBlock Capital Inc. ("WestBlock") and the non-binding term sheet with Ocean Falls Blockchain Corp. ("Ocean Falls"), as described below.

On March 2, 2021, the Company announced that LNI had signed an agreement with their technical consulting group to increase the scope of their 2021 development plan to include Non-Fungible tokens ("NFT"), as further described in section 3 below.

On March 5, 2021, the Company completed the first tranche of its non-brokered private placement that was previously announced on February 10, 2021 (the "Offering"). The first tranche consisted of 3,667,146 common shares for gross proceeds of \$1,283,501. Subsequently, on March 19, 2021, the Company completed the second and final tranche of the Offering. The final tranche consisted of 904,914 common shares for gross proceeds of \$316,720, for a total closing on the Offering of 4,572,060 common shares at \$0.35 per share equal to \$1,600,221. The shares are subject to a four-month and one day hold period under securities laws. The Company intends to use the proceeds for working capital purposes.

On March 5, 2021, the Company and WestBlock agreed to extend the Term Sheet Expiry Date of their binding term sheet to acquire the issued and outstanding shares of WestBlock (the "Acquisition") to March 20, 2021, as the proposed acquisition of WestBlock continued to progress within the

broader timelines that were set for completion. Subsequently, on March 18, 2021, the Company signed an amendment to further extend the Term Sheet Expiry Date of its binding term sheet of the Acquisition to April 2, 2021. The WestBlock acquisition was previously announced on February 10, 2021. The Company also proposed to issue 5,000,000 share purchase warrants (the "Warrants"). As previously disclosed, 2,500,000 of the Warrants will be issued to WestBlock shareholders upon closing of the Acquisition. The Company proposed to issue the remaining 2,500,000 Warrants (the "Performance Warrants") to new principals it intends to hire upon the closing of the Acquisition. Each Warrant will be exercisable for one common share of the Company for a period of 24 months from the date of issue at a price (the "Exercise Price") of \$0.40 per share if exercised in the first 12 months and \$0.50 per share if exercised thereafter.

The Warrants will be subject to an acceleration provision such that if over a period of 20 consecutive trading days the volume weighted average market closing price for the Company's common shares on the Canadian Securities Exchange (or such other exchange as applicable at the time) is above the Exercise Price (the end of such 20 day period being the "Acceleration Event"), then the expiry date of the Warrants may be accelerated by the Company giving notice to the Warrant holder, to a date not less than the 20th day that immediately follows the Acceleration Event. The acceleration provision will only apply to the Performance Warrants after the Financing condition described below is satisfied.

The Performance Warrants will be subject to a financing condition such that they will not be exercisable unless an aggregate of \$2,000,000 is raised via an equity financing or series of related equity financings undertaken by or for the Company (the "Financing Condition"). If the Financing Condition is not satisfied by the date that is 12 months from the date of issuance of the Performance Warrants, then the Performance Warrants will expire.

The Company also terminated the previously announced non-binding term sheet it entered into with Ocean Falls Blockchain Corp.

On March 11, 2021, the Company granted stock options to certain directors, officers, and consultants of the Company to purchase an aggregate of 875,000 common shares in the capital of the Company. See item 14 below for details on the stock options.

The documents announcing the activities above are available 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.

**On March 2, 2021, the Company announced that LNI had signed an agreement with their technical consulting group to increase the scope of their 2021 development plan to include Non-Fungible tokens. LNI developed a robust solution on the Hyperledger platform to track the provenance of UIAs, which are secured via the LUXX validator, which is a high-level security tag designed to prevent counterfeiting. The solution allows for an originator of the UIA to transfer it to a counterparty or customer of the UIA or between counterparties in a secondary market. The expanded development plan would involve scoping out a vertical expansion of the solution to provide for a secondary layer where a unique NFT can be produced and related directly to the UIA that is stored on the LUXX Network. In addition, multiple NFTs with unique characteristics could be produced in association with a single UIA.**

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.

**None.**

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.

**In the month of March, there were a total of 7,632,060 common shares issued from treasury, broken down as follows: 4,572,060 shares were issued as a result of the Offering described in section 2 above. The placees purchased each share at \$0.35 for total gross proceeds of \$1,600,221. 2,560,000 of the shares issued resulted from the automatic conversion of the remaining outstanding special warrants (the "Special Warrants") obtained by the holders in the previously announced Special Warrant offering that closed on**

December 2, 2020. The holders purchased their Warrants at a per unit price of \$0.05 and were entitled to convert their Special Warrants into common shares for no additional consideration, per the terms and conditions of the Special Warrants. The terms and conditions of the Special Warrants included an “Automatic Conversion Date”, which is defined as the earlier of (i) the day that the Company has cumulatively raised \$500,000 via equity financings after the Offering Close; and (ii) the day that is three years after the date of the Offering Close. The close of the first tranche on March 5, of the private placement offering for common shares triggered clause (i) of this term. 400,000 common shares were issued in relation to a Special Warrant holder electing to convert his/her Special Warrants on March 2, prior to the automatic conversion. Finally, 100,000 common shares were issued in relation to the exercise of 100,000 share purchase warrants, each entitling the holder to purchase one share at an exercise price of \$0.20 per share. The share purchase warrants were issued on April 11, 2019.

On March 11, 2021, the Company granted stock options to certain directors, officers, and consultants of the Company to purchase an aggregate of 875,000 common shares in the capital of the Company. The expiry date of the stock options is March 10, 2026. The stock options vest over a 24-month period, at a rate of 25% after each 6 months, and have an exercise price of \$0.45 per share. Prior to this granting of options, 1,300,000 options had been granted. The aggregate total options granted as of this date represented 6.79% of the issued and outstanding common shares.

The closings for the Special Warrants, Common Shares Offering, 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 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 **April 6, 2021**.

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



Signature  
**Chief Executive Officer**  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>LUXXFOLIO Holdings Inc.</b>	For Month End <b>March 2021</b>	Date of Report YY/MM/DD <b>21/04/06</b>
Issuer Address <b>212, 1080 Mainland St., Canada</b>		
City/Province/Postal Code <b>Vancouver / BC / V6B 2T4</b>	Issuer Fax No. ( )	Issuer Telephone No. <b>(888) 928-8883</b>
Contact Name <b>Dean Linden</b>	Contact Position <b>CEO</b>	Contact Telephone No. <b>(604) 398-3837</b>
Contact Email Address <a href="mailto:dlinden@luxxfolio.com">dlinden@luxxfolio.com</a>	Web Site Address <b>www.luxxfolio.com</b>	