

LUXXFOLIO Holdings Inc. enters into a Binding Term Sheet to acquire Westblock Capital Inc. and announces a \$3.5M non-brokered private placement

VANCOUVER, BC, Feb. 10, 2021 /CNW/ - LUXXFOLIO Holdings Inc. (the "Company") (CSE: LUXX) is pleased to announce that on February 9th, 2021 it entered into a binding term sheet (the "Acquisition Agreement") under which Luxxfolio will acquire all of the issued and outstanding shares of privately-held WestBlock Capital Inc. ("WestBlock"), to be effected by way of a three-cornered amalgamation between WestBlock, Luxxfolio and a wholly-owned subsidiary of Luxxfolio (the "Transaction"). The consideration payable in the Transaction consists of 16 million common shares (the "Shares") and 2.5 million share purchase warrants (the "Warrants") of Luxxfolio, giving the Transaction an approximate dollar value of \$5,600,000 based on the Company's closing share price on February 9, 2021. In the Transaction, each WestBlock shareholder will receive, for each WestBlock share held by them, 3.64 Shares and 0.569 of a Warrant, with each whole Warrant being exercisable for one common share of the Company for a period of 24 months at an exercise price of \$0.40 per share if exercised in the first 12 months and \$0.50 per share if exercised thereafter.

WestBlock Capital Inc. is an integrated digital asset company that operates an industrial scale cryptocurrency mining operation in the United States. WestBlock's vision is to expand its mining operation and offer investors low-cost exposure to crypto currency mining and other crypto currency related revenue streams by leveraging alliances and the company's network in the industry. Located in Calgary, Alberta, WestBlock has been operating in the cryptocurrency sector since 2018. Unique to WestBlock is its exclusive partnership with the Navajo Nation, providing access to land and electricity at significantly reduced cost. WestBlock operates a 15 MW facility in New Mexico, with 8 MW devoted to mining and hosting.

The closing of the Transaction is subject to the parties completing satisfactory due diligence reviews, the execution by all parties of a long form amalgamation agreement by March 5th, 2021, approval by WestBlock's shareholders, and compliance with all applicable statutory and regulatory requirements and other customary closing conditions. The Transaction is scheduled to close within 60 days after the signing of the amalgamation agreement.

It is anticipated that WestBlock's President and COO ("WestBlock Management") will join Luxxfolio's business team upon closing of the Transaction. 50% of WestBlock Management's Shares will be subject to a 6-month escrow period and the remaining 50% will be escrowed for a 12 month period.

Commenting on the acquisition of WestBlock, [Dean Linden](#) CEO of Luxxfolio commented, "I am delighted to be able to work with the WestBlock team to make this acquisition a reality. The combined entity creates a Company with the scope and scale to provide significant returns in a up trending bitcoin market, while offering the low-cost power scenario to withstand volatility"

In connection with the Transaction, the Company is undertaking a non-brokered private placement of up to a maximum of 10,000,000 for common shares at an offering price of \$0.35 per share for maximum gross proceeds of \$3,500,000.

About LUXXFOLIO

Luxxfolio Holdings Inc. is a growth-oriented, CSE-listed company based in Canada. 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.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "will be", "anticipated", "expected", "contemplated to", "scheduled to", or variations of such words and phrases or statements that certain actions, events, or results "will" occur. Forward-looking statements regarding the Company, Westblock, the Transaction, the private placement, and the Company's development of its permissioned based distributed ledger platform are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its subsidiary to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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