

LUXXFOLIO Achieves Milestone with Agreement to acquire Crypto Mining Company

VANCOUVER, BC, April 7, 2021 /CNW/ - LUXXFOLIO Holdings Inc. ("Luxxfolio" or the "Company") (CSE: LUXX) is pleased to announce it has achieved another milestone in its plan to secure strategic infrastructure in low-cost power jurisdictions to support its growth in the monetizing of uniquely identified assets. The Company has entered into a definitive agreement (the "Amalgamation 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 to WestBlock shareholders in the Transaction consists of 16 million common shares and 2.5 million share purchase warrants (the "Warrants") of Luxxfolio. The terms of the transaction remain consistent with the news release dated Feb 10, 2021, except as otherwise disclosed herein.

WestBlock Capital Inc. is an integrated digital asset mining company that operates an industrial scale cryptocurrency mining operation in New Mexico. WestBlock was able to secure access to land and electricity at significantly reduced cost in the bottom decile of global power costs for their mining operations through its exclusive partnership with the Navajo Nation. In connection with the Transaction, WestBlock is to acquire a 100% interest in the facility, while remaining a partner with the Navajo Nation through an ongoing power purchase arrangement.

WestBlock Highlights

- WestBlock currently is utilizing 8 MW of the 15 MW mining facility;
- The anticipated operating hash power shortly after closing is targeted to be 63 petahashes ("PH");
- The facility has excess capacity with certain power upgrades to grow the PH's by over 4 times based on current mine power hash technology and availability;
- WestBlock is currently holding 19 BTC with plans to continue to grow their inventory of crypto assets on their balance sheet.

WestBlock's vision is to scale its low-cost mining operation and develop other cryptocurrency related revenue streams by leveraging supplier relationships, growing its inventory of crypto assets, and by taking advantage of Luxxfolio's unique access to structured financial products. Located in Calgary, Alberta, WestBlock has been operating in the cryptocurrency sector since 2017.

The management of WestBlock will join the Luxxfolio team by carrying on with their leadership roles for the WestBlock business, as WestBlock continues to operate as a wholly owned subsidiary of Luxxfolio, post closing. The management team of WestBlock includes:

Ken MacLean – WestBlock CEO

Ken began working in the technology world with positions at IBM, Sun Microsystems and Digital (DEC). Starting and selling a business during the Dotcom boom began his entrepreneurial pursuits and since then Ken has been an integral part of financing and building organizations across multiple industries including real estate, retail and heavy industry - always with the infusion of technology. He has an MBA with a focus on new venture finance and technology.

Kien Tran – WestBlock COO

Kien co-founded WestBlock Capital in 2017 as an integrated digital asset company where he built and operated an industrial scale mining facility. He has developed an extensive network of relationships in the cryptocurrency industry. Prior to WestBlock, Kien spent 15 years in Investment

Banking and Capital Markets in New York, Toronto, and Calgary. He has an MBA from the University of Chicago.

On closing, Luxxfolio will issue 2.5 million performance warrants ("Performance Warrants") of Luxxfolio to the management team of WestBlock, holders of WestBlock performance warrants, and certain other persons who have assisted WestBlock with its business. Both the Warrants and Performance Warrants will be 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 ("Exercise Price").

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 Warrants and the Performance 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 is satisfied.

The closing of the Transaction is subject to the parties completing satisfactory due diligence reviews, approval by WestBlock's shareholders of the Transaction, the continuation of WestBlock into British Columbia from Alberta and compliance with all applicable statutory and regulatory requirements and other closing conditions. The Transaction is scheduled to close within 45 days.

About LUXXFOLIO

Luxxfolio Holdings Inc. is a growth-oriented, CSE-listed company based in Canada. The Company is a digital infrastructure company that utilizes blockchain technology to convert unique identifiable assets (UIAs) into fungible digital assets such as Bitcoin and non fungible digital assets such as NFTs. It provides a liquid alternative for exposure to digital assets 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, and the Company's development of its growth strategy 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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