

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

LUXXFOLIO Holdings Inc. (the “Company”, which includes reference to its wholly owned subsidiaries)
417 – 1080 Mainland Street
Vancouver, British Columbia V6B 2T4

2. Date of Material Change

October 26, October 27, and November 1, 2022

3. News Release

The Company disseminated two news releases disclosing the material changes: One on October 28, 2022, through the newswire services of Baystreet.com and Stockwatch.com, and the other on November 2, 2022, through the newswire services of Cision. The news releases were filed on SEDAR on October 28, 2022, and November 2, 2022.

4. Summary of Material Change

Repayment of CDN\$1.1 million of its debt facility with CHP Agent Services Inc., the close of its debt settlement arrangement with NYDIG, the resignations of three Directors, and the Company’s need to seek strategic alternatives as a result of unprofitable operations due to the negative developments in the Bitcoin mining industry.

5.1 Full Description of Material Change

The Company announced that it has repaid, in advance, CDN\$ 1.1 million of its debt facility with CHP Agent Services Inc., a related party. In addition, all terms and conditions of the previously announced debt reduction with NYDIG, dated August 10, 2022, have been met and the transaction is closed. Accordingly, the effect of these and other previously announced transactions have reduced the Company’s long-term debt to US\$ 1.1 million, down from US\$ 12.5 million at May 2022, a 91.2 % reduction since the debt reduction program commenced.

Under the intense pressure facing the Bitcoin mining industry (low Bitcoin market prices, high hash rates, increasing electricity prices), the Company, having reduced its debt and moved to lower-cost immersive mining, remains unprofitable. Following a detailed review of the current operations and market conditions, the Company has decided to seek strategic alternatives for its 15MW Bitcoin mining facility in New Mexico. In the absence of finding a partner or purchaser for the mining operation, the Company will consider all options including idling or a permanent shutdown of operations.

Bradley D. Farquhar resigned from his position as Director of the Company, effective October 26, 2022. Kelly Klatik and David Gens resigned, as Directors effective November 1, 2022. As a result, the Company’s Board presently consists of two directors. While reviewing strategic alternatives, the Company intends to seek qualified candidates to appoint as additional Board members.

5.2 Disclosure for Restructuring Transaction

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51.102

This report is not being filed on a confidential basis.

7. Omitted Information

No significant facts required to be disclosed have been omitted.

8. Executive Officer

For further information contact:

Name: Anthony Wong

Officer: Corporate Secretary

Telephone: 1-888-928-8883 Ext. 703

9. Date of Report

November 8, 2022