

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

January 4, 2022

3. News Release

The Company disseminated a release disclosing the material change on January 5, 2022, through the newswire services of Baystreet.com and Stockwatch.com.

4. Summary of Material Change

The Company’s application for a temporary management cease trade order, originally announced on December 21, 2022, was granted by the British Columbia Securities Commission (the “BCSC”), the Company’s principal regulator.

5.1 Full Description of Material Change

On January 4, 2023, the BCSC granted the Company’s previously announced application for the issuance of a management cease trade order (the “MCTO”) under National Policy 12-203 – Management Cease Trade Orders (“NP12-203”). The Company made the application in connection with its default with respect to having not filed its audited annual financial statements for the year ended August 31, 2022, and the management's discussion and analysis and related CEO and CFO certificates for this period (collectively, the “Required Records”) by the reporting deadline of December 29, 2022. The MCTO restricts all trading in the securities of LUXXFOLIO by the Company’s President, Kenneth MacLean, and the Company’s CFO, Geoffrey McCord, and remains in effect until the Company files the Required Records and the Executive Director of the BCSC revokes the MCTO.

The Company applied for the MCTO as an alternative to the imposition by the BCSC of a full cease trade order. The MCTO order prevents the officers and/or directors named in the order from trading in LUXXFOLIO’s securities but does not affect the ability of other shareholders, including the public, to trade the Company’s securities

As previously announced, the Company’s filing of the Required Records has been delayed due to a combination of factors, including the extreme and continuous contraction in Bitcoin mining economics throughout the year, which required the Company to implement multiple unanticipated business strategies to reduce operating costs and debt. The strategies created uncertainties and complexities in the audit process that resulted in delays in the preparation and completion of the Required Records.

The Company anticipates that it will file the Required Records on or before February 28, 2023, to remedy the default. The Company confirms that it intends to satisfy the provisions of the

alternative information guidelines under NP 12-203 by issuing bi-weekly default status reports in the form of news releases for so long as the filing of the Required Records remains outstanding.

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

January 13, 2023