

**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 16, 2023

**3. News Release**

The Company disseminated a release disclosing the material change on January 17, 2023, through the newswire services of Baystreet.com and Stockwatch.com.

**4. Summary of Material Change**

The Company entered into a Debt Settlement Agreement.

**5.1 Full Description of Material Change**

On January 16, 2023, the Company entered into a Debt Settlement Agreement with CHP Agent Services Inc. (“CHP”). Westblock Capital Inc (“Westblock Capital”), Westblock Hosting Inc. (“Westblock Hosting”), and Westblock Hosting Arizona Inc. (“Westblock Arizona”) (collectively referred to as the “Westblock Group”), which are direct and indirect wholly-owned subsidiaries of the Company, are also parties to the Debt Settlement Agreement.

Westblock Capital had entered into a Master Financing Agreement dated December 1, 2021, with CHP, under which CHP provided a loan facility to Westblock Capital (the “Loan Facility”). The Loan Facility was used for Westblock Capital’s business operations. As security for the Loan Facility, Westblock Hosting and Westblock Arizona Inc. each guaranteed Westblock Capital’s obligations under the Loan Facility. In addition, each member of the Westblock Group executed a general security agreement in favour of CHP.

As previously announced, CHP notified Westblock that Westblock was in default of its obligations under the Loan Facility. As of January 16, 2023, the total amount of CAD\$1,155,004.77, plus interest and fees, was owed to CHP pursuant to the Master Financing Agreement (the “Debt”).

Under the Debt Settlement Agreement, the Company made a payment of USD\$99,546.00 to CHP on behalf of Westblock Capital and the Westblock Group transferred all their rights, interest, and title to each of their assets which included an immersion mining cooling system, approximately 655 mining machines, and related equipment. The cash payment and transfer of assets were made in full and final settlement of the Debt, and as such, all obligations under the Loan Facility, including the guarantees and general security agreements, are now terminated and are no longer of any further force or effect.

Westblock, LLC, the Company's indirect wholly-owned subsidiary ("LLC"), which operated the Company's Bitcoin mining facility (the "BTC Facility"), is not a party to the Debt Settlement Agreement and therefore did not transfer any of its rights and interests in and to the BTC Facility to CHP. As previously announced, the BTC Facility's operations were idled due to the continued negative pressures faced by the BTC mining industry and the subsequent generation of insufficient mining revenues. The transactions under the Debt Settlement Agreement, in addition to other factors, further obstruct the Company's ability to resume the BTC Facility's operations. The fundamentals of bitcoin mining remain very difficult and uneconomic. Rising mining difficulty rate to earn a coin offsets the recent minor price increase. The industry may be very difficult and unprofitable in the near and mid-term. As such, the Company is not certain when and if the BTC Facility will be operational again; however, it intends to continue to seek beneficial strategic opportunities in the digital asset industry.

**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 25, 2023