

LUXXFOLIO HOLDINGS INC.

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NEWS RELEASE

Letter of Intent with Cypress Hills Partners Inc. and Non-Brokered Private Placement

VANCOUVER, BC – March 2, 2020 – LUXXFOLIO Holdings Inc. (the “Company”) (CSE: LUXX) is pleased to announce that it entered into a non-binding letter of intent dated March 2, 2020 (the “LOI”) with Cypress Hills Partners Inc. (“CHP”) and intends to undertake a non-brokered private placement in connection with the LOI. Under the terms of the LOI (the “Transaction”), the parties agree to work towards a definitive agreement whereby the Company will provide CHP with the services of its permissioned based distributed ledger platform developed by the Company’s wholly owned subsidiary to enable CHP to verify and authenticate its digital assets which includes agreements and financial records and reports. As partial consideration for such services, CHP will issue to the Company a \$1,000,000 revenue participation note (“RPN”) in exchange for an estimated 20,000,000 preferred shares of the Company at an estimated per share price of \$0.05 (the “Preferred Shares”).

About CHP

CHP is an alternative specialty lender based out of Vancouver. CHP’s primary focus is a receivable lending strategy with loan facilities secured against consumer and SME cashflows and/or other type of acceptable security. CHP’s target vertical is lending to alternative lenders in Canada and the U.S. via private debt structures ranging in size from \$5 million to \$50 million.

Terms of the Transaction

The parties have agreed to undertake good faith efforts to enter into the definitive agreement on or before July 05, 2020. Entry into the definitive agreement is subject to certain conditions including the completion of each party’s satisfactory due diligence review of the other, receipt of all necessary regulatory approvals, and the Company having, to the sole satisfaction of CHP, at least \$250,000 in working capital or unrestricted access to such amount for working capital purposes (the “Working Capital Condition”).

Non-Brokered Private Placement

To satisfy the Working Capital Condition of the LOI, the Company is pleased to announce a non-brokered private placement of up to 8,000,000 common shares at a price of CAD \$0.05 per common share. The private placement is subject to the approval of the Canadian Securities Exchange and the securities will be subject to a four-month and one day hold period under securities laws.

Anticipated Terms of the RPN

The RPN will permit the Company to participate, for a period of 20 years, in certain management fees received by CHP (the “Revenue”) via an annual payment of 6% of the value of the RPN and a yearly residual payout the sum of which will be dependent on the amount of Revenue CHP receives. If agreed to by both parties, the value of the RPN may be increased by up to 50% in exchange for a cash payment by the Company to CHP equal to the value of such increase. CHP will have the right to prepay any portion of the RPN. If the Company raises at least \$10,000,000 within 3 years, of which \$2,500,000 is via common equity financing, the Company will have a right of first refusal to purchase CHP’s interest in the Revenues.

Anticipated Terms of the Preferred Shares

The Preferred Shares will have voting rights equal to the Company's common shares and be convertible at no additional cost on a 1:1 basis into common shares of the Company. CHP will be entitled to return the Preferred Shares to the Company in exchange for the cancellation of the RPN if the Company is unable to raise at least \$3,000,000, of which \$750,000 is via common equity financing, within a 2-year period. Up to 50% of the Preferred Shares may be redeemed by the Company at the reasonable request of CHP.

The Transaction is expected to constitute a related party transaction as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as CHP is a control person of the Company and Kelly Klatik, a director of the Company, and Dean Linden, the CEO of the Company, are CHP's directors, officers, and shareholders.

Under section 5.5(b) of MI 61-101, the Company will be exempt from the valuation requirement of MI 61-101 as the Company's shares are not listed on a specified market. The Company will also be exempt from the minority shareholder approval requirements of MI 61-101 under section 5.7(1)(e) of MI 61-101 as the directors, including all independent directors, have determined that the Company is in serious financial difficulty, the Transaction is designed to improve the Company's financial position, and the terms of the Transaction are reasonable given the circumstances of the Company.

The Company did not file a material change report 21 days prior to the LOI because the details of the terms of the Transaction had not been confirmed at that time.

About LUXXFOLIO

The Company's focus is the development of its subsidiary's permissioned based distributed ledger platform to enable an organization or individual to authenticate, secure, and track via a highly secure verifiable ledger their digital based assets, contracts and documents, physical based assets such as luxury or collector goods, and other unique products ("Uniquely Identified Assets"). The platform aims to provide a secure and reliable place to authenticate and track Uniquely Identified Assets and provide the ability to monetize or securitize these assets.

Contact Information:

For more information, please contact:

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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", "expected", "vision" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements regarding the LOI, the Transaction, the private placement, the RPN, the Preferred Shares, the definitive agreement, the Company's development of its permissioned based distributed ledger platform and the availability of a material change report on SEDAR 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.