



LUXXFOLIO HOLDINGS INC.

1080 Mainland Street, Suite 212
Vancouver, BC V6B 2T4

NEWS RELEASE

LUXXFOLIO Announces Purchase Order and Financing of Immersion-Cooling System

VANCOUVER, BC – December 1, 2021 - LUXXFOLIO Holdings Inc. (the “Company” or “LUXXFOLIO”) (CSE: LUXX) (OTCQB: LUXFF) is pleased to announce that on November 25, 2021, through its wholly- owned subsidiary Westblock Capital Inc. (“**LUXX Mining Division**”), it has finalized the order with CES Corporation (“**CES**”) on the immersion-cooling system (the “**Immersion System**”), as previously announced on [November 10, 2021](#).

The purchase price of the Immersion System (the “**Purchase Price**”) will be paid in part by cash and the issuance of 612,000 common shares of the Company at a deemed price of \$0.83 per share. Cypress Hills Partners Inc., or one of its affiliates, (“**CHP**”) has agreed to provide LUXX Mining Division with a senior secured loan facility to finance the cash portion of the Purchase Price (the “**Facility**”). LUXX Mining Division will be able to use the Facility to acquire future bitcoin mining equipment as well.

Ken MacLean, President of the LUXX Mining Division commented, “This Facility provides us with increased flexibility to continue our aggressive expansion plans in 2022 and to be opportunistic in our fixed asset purchases.”

The terms of the Facility will include:

- up to a maximum of \$3M, which may be increased to \$5M if agreed to by both parties;
- a maturity date of 24 months after closing, at which time all outstanding obligations of the borrower become due and payable;
- secured by a general security agreement over borrower and its subsidiaries, and a first charge on equipment used for crypto mining;
- a variable interest rate to be paid monthly; and
- a 0.75% facility fee.

CHP, LUXX Mining Division, and the Company have certain common directors, officers, and insiders. As such, the Facility is a related-party transaction as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Based on Section 5.5(b) of MI 61-101, the Company is exempt from having to obtain a formal valuation. The Company has also relied upon Section 5.7(1)(a) of MI 61-101 to be exempt from the minority approval requirement on the basis that neither the fair market value of the subject

matter of, nor the fair market value of the consideration for, the Facility exceeded 25 per cent of the Company's market capitalization. The Company did not file a material change report 21 days prior because the details of the Facility had not been confirmed at that time.

About LUXXFOLIO

LUXXFOLIO Holdings Inc. is a publicly-traded vertically-integrated digital asset company based in Canada. We operate an industrial scale cryptocurrency mining facility in the United States, powered primarily by renewable energy, with a focus on the blockchain ecosystem and generation of digital assets. LUXXFOLIO provides a liquid alternative for exposure to digital assets for the broader capital markets.

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- The Company diligently posts updates through videos from the official company YouTube channel at: [YouTube Channel](#)
- Please join the conversation on our LUXXFOLIO Holdings supporter's Telegram group at: <https://t.me/Luxxfolio>

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Contact Information:

For more information, please contact:
Dean Linden, Chief Executive Officer
Tel: (604) 398-3837
Email: dlinden@luxxfolio.com
www.luxxfolio.com

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", or variations of such words and phrases or statements that certain actions, events, or results "will" occur. Forward-looking statements regarding the Company, its hosting operations, miners, hash rate, 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.