

**EARLY WARNING REPORT UNDER
NATIONAL INSTRUMENT 62-103**

1. Name and address of the offeror:

Mr. James Mellon (the "Offeror")
c/o Viking House, Nelson Street
Douglas, Isle of Man
IM1 2AH

2. Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

On May 26, 2014, the Offeror acquired, indirectly through an investment company, control of an additional 1,450,000 common shares and 1,450,000 warrants (the "Acquisition") of Miraculins Inc. (the "Company"). The shares and warrants were acquired pursuant to a private placement offering of units (at a price of \$0.10 per unit) announced by the Company on May 21, 2014 and closed on May 26, 2014. Each unit is comprised of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per share for a period of 24 months from the date the warrant was issued. The Acquisition represents 9.25% of the issued and outstanding common shares of the Company or 16.93% after giving effect to the exercise of the warrants granted under the Acquisition.

3. Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:

After giving effect to the transaction noted in item 2 above, the Offeror owns or exercises direction or control over 2,464,747 common shares of the Company and holds warrants and stock options to acquire an additional 1,716,667 common shares, representing 15.72% of the issued and outstanding common shares of the Company (or 24.03% after giving effect to the exercise of the warrants and stock options).

4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

a) the offeror, either alone or together with any joint actors, has ownership and control;

567,778 common shares of the Company which represents 3.62% of the issued and outstanding common shares of the Company as of the date of this report. 225,000 warrants and stock options to purchase common shares of the Company which upon exercise would bring the total ownership to 792,778 common shares or 4.98% of the Company's issued and outstanding common shares on a partially diluted basis.

- b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor; and**

N/A

- c) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

1,896,969 common shares of the Company which represents 12.10% of the issued and outstanding common shares of the Company as of the date of this report. 1,491,667 warrants and stock options to purchase common shares of the Company which upon exercise would bring the total ownership to 3,388,636 common shares or 19.73% of the Company's issued and outstanding common shares on a partially diluted basis.

- 5. The name of the market where the transaction or occurrence that gave rise to the news release took place:**

The transaction described in paragraph 2 above was a private placement undertaken by the Company through the facilities of the TSX Venture Exchange.

- 6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

See paragraph 2 above.

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Offeror effected the transaction for investment purposes. The Offeror may, depending on market and other conditions, increase his ownership, control or direction over additional common shares of the Company through market or private transactions, exercise of convertible securities or otherwise.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

See paragraph 2 above with respect to the terms of the warrants.

- 9. Names of any joint actors in connection with the disclosure required herein:**

Included in the holdings described in paragraph 3 above are common shares and warrants held by Galloway Limited and Port Erin Biopharma Investments Limited. The Offeror holds a minority ownership interest in both companies.

- 10. In the case of a transaction that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

See paragraph 2 above.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:**

Not applicable.

DATED this 27th day of May, 2014.

/s/ James Mellon

James Mellon