



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 11, 2014**

MAY 15, 2014

Neither the Canadian Securities Exchange nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.



c/o 2922 Mt. Seymour Pkwy
North Vancouver, British Columbia
V7H 1E9

May 15, 2014

Dear Shareholders:

You are cordially invited to attend the annual general and special meeting (the “**Meeting**”) of the holders of common shares of Auxellence Health Corporation (the “**Company**” or “**Auxellence**”). The Meeting will be held at the Spanish Banks boardroom, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, commencing at 10:00 a.m. (Vancouver time) on June 11, 2014.

In addition to the usual annual meeting resolutions, and a special resolution to approve new articles for the Company, the purpose of the Meeting is to also seek your authorization and approval for a statutory procedure known as a plan of arrangement (the “**Arrangement**”). Pursuant to the Arrangement, there will be a distribution to the Auxellence Shareholders shares of 1001876 B.C. Ltd. (“**1001876**”), currently a wholly-owned subsidiary of the Company, all as more fully set forth in the accompanying management information circular (the “**Circular**”) of the Company, the distribution to the Auxellence Shareholders shares of 1001875 B.C. Ltd. (“**1001875**”), currently a wholly-owned subsidiary of the Company, all as more fully set forth in the Circular of the Company, and the distribution to the Auxellence Shareholders shares of 1001872 B.C. Ltd. (“**1001872**”), currently a wholly-owned subsidiary of the Company, all as more fully set forth in the Circular of the Company, the distribution to the Auxellence Shareholders shares of 1001886 B.C. Ltd. (“**1001886**”), currently a wholly-owned subsidiary of the Company, all as more fully set forth in the Circular of the Company.

As a result of the Arrangement holders of common shares of the Company will end up holding common shares in each of the Company, 1001876, 1001875, 1001872, and 1001886. Each of 1001876, 1001875, 1001872, and 1001886 will hold the Assets transferred to it by the Company. **The Company will retain its remaining assets and working capital and continue as a health technology company.**

The purpose of the Arrangement is to restructure the Company by creating four (4) companies, 1001876, 1001875, 1001872, and 1001886 which will become reporting issuers in the Provinces of British Columbia and Alberta upon completion of the Arrangement. The Company believes this will be beneficial to the shareholders of the Company, as it is intended that each of 1001876, 1001875, 1001872, and 1001886 will enter into definitive agreements to acquire a business upon completion of the Arrangement. In this regard, the Company has entered into a letter of intent with Hit Technologies Inc. (“**Hit**”) whereby, subject to completion of the Arrangement, 1001872 will negotiate a definitive acquisition agreement with Hit for the acquisition by 1001872 of Hit (the “**Proposed Hit Acquisition**”). In addition, the Company has entered into a letter of intent with Juan De Fuca Resources Corp. (“**Juan De Fuca**”) whereby, subject to completion of the Arrangement, 1001875 will negotiate a definitive acquisition agreement with Juan De Fuca for the acquisition by 1001875 of Juan De Fuca (the “**Proposed Juan De Fuca Acquisition**”). In addition, the Company has entered into a letter of intent with Fight Court Internet Ventures Inc. (“**Fight Court**”) whereby, subject to completion of the Arrangement, 1001886 will negotiate a definitive acquisition agreement with Fight Court for the acquisition by 1001886 of Fight Court (the “**Proposed Fight Court Acquisition**”). In addition, the Company has entered into a letter of intent with 1001589 B.C. Ltd. (“**Frack Water**”) whereby, subject to completion of the Arrangement, 1001876 will negotiate a definitive acquisition agreement with Frack Water for the acquisition by 1001876 of Frack Water (the “**Proposed Frack Water Acquisition**”). Each of the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition will not proceed unless the Arrangement is completed. Should the Arrangement be completed, each of the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition would be subject to the execution by 1001876, 1001875, 1001872, and 1001886, as the case may be, of a definitive acquisition agreement. The terms and conditions of such definitive agreements have not been finalized and it is anticipated that the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

Further information regarding the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition is provided in more detail in the Circular which accompanies this letter.

As described above, on the Effective Date of the Arrangement, which is expected to be in June or July 2014, your common shares of the Company will be exchanged for the same number of new common shares of the Company and, through a series of steps, a lesser number of common shares of 1001876, 1001875, 1001872, and 1001886.

There is no assurance that a public market will continue in the new common shares of the Company or that there will be a public market for the common shares of 1001876, 1001875, 1001872, and 1001886 after the Arrangement. Further there is no assurance that definitive acquisition agreements with respect to the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition or the Proposed Frack Water Acquisition will be entered into as contemplated or at all. This is explained in more detail in Circular which accompanies this letter.

The Board of the Company unanimously believes that the Arrangement is in the best interests of the Company and its shareholders, and unanimously recommends that you vote in favour of the resolutions relating to this transaction. Without the prescribed approval of the holders of common shares of the Company, which is approval by two-thirds of the votes cast at the Meeting, the proposed Arrangement cannot take place. It should be noted that the Arrangement also requires the approval of the Supreme Court of British Columbia.

Details of the Arrangement and its effects are contained in the Circular accompanying this letter, and reference should be made to that document for complete information.

It is important that your shares be represented at the Meeting. Whether or not you are able to attend in person, your representation will be assured if you complete, sign and date the enclosed proxy form and return it in the envelope provided, or vote via telephone or internet (online) as specified in the proxy form.

Yours sincerely,

“Syd Au”

Syd Au,
Chief Executive Officer and Director

Auxellence Health Corporation

TABLE OF CONTENTS

	Page
INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS	10
INFORMATION CONTAINED IN THIS CIRCULAR	10
GLOSSARY OF TERMS	11
SUMMARY	14
THE MEETING	14
THE ARRANGEMENT	14
RECOMMENDATION AND APPROVAL OF THE BOARD OF DIRECTORS	15
REASONS FOR THE ARRANGEMENT	16
CONDUCT OF MEETING AND SHAREHOLDER APPROVAL	17
COURT APPROVAL	17
INCOME TAX CONSIDERATIONS	17
RIGHT TO DISSENT	17
INFORMATION CONCERNING THE COMPANY AND 1001872 AFTER THE ARRANGEMENT	18
INFORMATION CONCERNING THE COMPANY AND 1001875 AFTER THE ARRANGEMENT	18
INFORMATION CONCERNING THE COMPANY AND 1001886 AFTER THE ARRANGEMENT	18
INFORMATION CONCERNING THE COMPANY AND 1001876 AFTER THE ARRANGEMENT	18
RISK FACTORS	19
GENERAL PROXY INFORMATION	19
SOLICITATION OF PROXIES	19
CURRENCY	19
RECORD DATE	19
APPOINTMENT OF PROXY HOLDERS	19
VOTING BY PROXY HOLDER	19
REGISTERED SHAREHOLDERS	20
BENEFICIAL SHAREHOLDERS	20
REVOCATION OF PROXIES	21
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	22
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	22
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	22
OUTSTANDING AUXELLENCES SHARES	22
PRINCIPAL HOLDERS OF AUXELLENCES SHARES	22
VOTES NECESSARY TO PASS RESOLUTIONS	22
GENERAL INFORMATION FOR MEETING	23
EXECUTIVE COMPENSATION	23
DIRECTOR COMPENSATION	25
CORPORATE GOVERNANCE DISCLOSURE	27
AUDIT COMMITTEE	29
INDEBTEDNESS OF DIRECTORS AND OFFICERS	35
FINANCIAL STATEMENTS	35
APPOINTMENT OF AUDITOR	35
ADDITIONAL INFORMATION	35
ADOPTION OF NEW ARTICLES	36
ELECTION OF DIRECTORS	37
THE ARRANGEMENT	39
REASONS FOR THE ARRANGEMENT	40
RECOMMENDATION OF DIRECTORS	41
FAIRNESS OF THE ARRANGEMENT	41

DETAILS OF THE ARRANGEMENT	42
AUTHORITY OF THE BOARD	43
CONDITIONS TO THE ARRANGEMENT.....	43
SHAREHOLDER APPROVAL	44
COURT APPROVAL OF THE ARRANGEMENT	44
PROPOSED TIMETABLE FOR ARRANGEMENT.....	44
1001876,1001875, 1001872 AND 1001886 SHARE CERTIFICATES AND CERTIFICATES FOR NEW SHARES	45
RESALE OF NEW SHARES AND 1001876 SHARES, 1001875 SHARES, 1001872 SHARES AND 1001886 SHARES.....	45
EXPENSES OF ARRANGEMENT	46
INCOME TAX CONSIDERATIONS.....	46
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	46
RIGHTS OF DISSENT	51
DISSENTERS' RIGHTS	51
RISK FACTORS	51
THE COMPANY AFTER THE ARRANGEMENT.....	52
INFORMATION CONCERNING 1001872 B.C. LTD.	53
INFORMATION CONCERNING 1001875 B.C. LTD.	57
INFORMATION CONCERNING 1001876 B.C. LTD	60
INFORMATION CONCERNING 1001886 B.C. LTD	63
TRANSFER AGENT AND REGISTRAR	66
LEGAL PROCEEDINGS.....	67
ADDITIONAL INFORMATION.....	67
OTHER MATTERS	67
APPROVAL OF INFORMATION CIRCULAR	67
AUDITOR'S CONSENT	68
 Schedule A: Arrangement Resolutions	
Schedule B: The Arrangement Agreement	
Schedule C: The Interim Order	
Schedule D: Dissent Procedures	

AUXELLENCHE HEALTH CORPORATION

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special general meeting (the “**Meeting**”) of shareholders of Auxellence Health Corporation (the “**Company**”) will be held at the Spanish Banks boardroom located on the 2nd Floor, at 510 Burrard Street, Vancouver, British Columbia, on June 11, 2014, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the financial statements of the Company for the fiscal year ended June 30, 2013, and the report of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix the remuneration of the auditors;
4. Approval of a special resolution for the adoption of a new set of articles for the Company, the full text of which resolution is set out in the accompanying Circular, all as more particularly described therein;
5. Pursuant to an order (the “**Interim Order**”) dated May 13, 2014, of the Supreme Court of British Columbia to consider and, if thought fit, pass a resolution (the “**Arrangement Resolution**”) to approve an arrangement (the “**Arrangement**”) under section 288 of the Business Corporations Act (British Columbia) involving the Company, 1001876, 1001875, 1001872, and 1001886 the full text of which resolution is set out in Schedule A to, and all as more particularly described in, the Circular; and
6. To consider other matters, including without limitation such amendments or variations to any of the foregoing resolutions, as may properly come before the Meeting or any adjournment thereof.

The texts of the Arrangement Resolution and the agreement in respect of the Arrangement are set forth in Schedule A and Schedule B, respectively, to the Circular.

AND TAKE NOTICE that Auxellence Shareholders who validly dissent from the Arrangement will be entitled to be paid the fair value of their Auxellence Shares subject to strict compliance with the provisions of the Interim Order (as set forth herein), the Plan of Arrangement and sections 237 to 247 of the Act. The dissent rights are described in Schedule "D" of the Circular. Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the Act may result in the loss of any right of dissent.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only Auxellence Shareholders of record at the close of business on May 2, 2014, will be entitled to receive notice of and vote at the Meeting.

Your vote is important regardless of the number of common shares of the Company you own. Shareholders who are unable to attend the Meeting in person are asked to sign, date and return the enclosed form of proxy relating to the common shares of the Company held by them in the envelope provided for that purpose or vote via telephone or internet (online) as specified in the proxy form.

Registered Auxellence Shareholders unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the proxy and in the Circular. If you are a non-registered Auxellence Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting.

To be effective, the proxy must be duly completed and signed and then deposited with either the Company or the Company's registrar and transfer agent, Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street,

Vancouver, British Columbia, V6C 3B9, or voted via telephone or internet (online) as specified in the proxy form, no later than 4:30 p.m. on June 9, 2014.

Dated at Vancouver, British Columbia, this 15th day of May, 2014

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Syd Au"

Syd Au
Chief Executive Officer & Director

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

AUXELLENCHE HEALTH CORPORATION

PETITIONER

AND

IN THE MATTER OF AN ARRANGEMENT AMONG
AUXELLENCHE HEALTH CORPORATION, 1001876 B.C. LTD.,
1001875 B.C. LTD., 1001872 B.C. LTD., AND 1001886 B.C. LTD. AND
THE SHAREHOLDERS OF AUXELLENCHE HEALTH CORPORATION

NOTICE OF HEARING OF PETITION

TO: THE SHAREHOLDERS OF AUXELLENCHE HEALTH CORPORATION

AND TO: 1001876 B.C. LTD.

AND TO: 1001875 B.C. LTD.

AND TO: 1001872 B.C. LTD.

AND TO: 1001886 B.C. LTD.

NOTICE IS HEREBY GIVEN that a Petition has been filed by Auxellence Health Corporation (the "**Petitioner**") in the Supreme Court of British Columbia for approval of a plan of arrangement (the "**Arrangement**"), pursuant to the Business Corporations Act, S.B.C. 2002, Chapter 57, as amended.

AND NOTICE IS FURTHER GIVEN that by an Interim Order of the Supreme Court of British Columbia, pronounced May 13, 2014, the Court has given directions as to the calling of an annual general and special meeting of the holders of common shares in the capital of the Petitioner (the "**Shareholders**"), for the purpose, inter alia, of considering and voting upon the Arrangement and approving the Arrangement.

AND NOTICE IS FURTHER GIVEN that an application for a Final Order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair to the Shareholders shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on June 13, 2014, at 10:00 a.m. (Vancouver time), or so soon thereafter as counsel may be heard (the "**Final Application**").

IF YOU WISH TO BE HEARD, any Shareholder affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition in the form prescribed by the Supreme Court Civil Rules and delivered a copy of the filed Response to Petition, together with all material on which such person intends to rely at such hearing of the Final Application, including an outline of such person's proposed submissions, to the Petitioner at the address for delivery set out below by or before 4:00 p.m. (Vancouver time) on June 11, 2014.

The Petitioner's address for delivery is:
2922 Mt. Seymour Pkwy
Vancouver, B.C., V7H 1E9

Attention: Sydney Au

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST file and deliver a Response to Petition as described above. You may obtain a form of Response to Petition at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE TO PETITION and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Shareholders.

A copy of the said Petition and other documents in the proceedings will be furnished to any Shareholder upon request in writing addressed to the solicitors of the Petitioner at its address for delivery as set out above.

It is not known whether the matter will be contested and it is estimated that the hearing will take 20 minutes to be heard.

SOLICITOR FOR THE PETITIONER

AUXELLENCHE HEALTH CORPORATION
2922 Mt. Seymour Pkwy
North Vancouver, British Columbia V7H 1E9

This Circular is furnished in connection with the solicitation of proxies by management of Auxellence Health Corporation for use at the annual general meeting and special meeting of shareholders of the Company to be held on June 11, 2014.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement, Auxellence Shareholders should be aware that there are various risks, including those described in the Section entitled "Risk Factors" in this Circular. Auxellence Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes "forward-looking statements" or "information" (collectively "**statements**"). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, the proposed acquisitions will not be completed as contemplated or at all, limited operating history, negative cash flow, no market for securities, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Circular are made as of the date of this Circular. There can be no assurance that forward-looking 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. The Company will update forward-looking statements in its management discussion and analysis as required.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at May 13, 2014 unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Auxellence Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Auxellence Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Schedule "B" and the Plan of Arrangement is attached as Schedule "A" to the Arrangement Agreement.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

“**1001876**” means 1001876 B.C. Ltd., a private company incorporated under the Act;

"**1001876 Shareholder**" means a holder of 1001876 Shares;

"**1001876 Shares**" means the common shares without par value in the authorized share structure of 1001876, as constituted on the date of the Arrangement Agreement;

“**1001875**” means 1001875 B.C. Ltd., a private company incorporated under the Act;

"**1001875 Shareholder**" means a holder of 1001875 Shares;

"**1001875 Shares**" means the common shares without par value in the authorized share structure of 1001875, as constituted on the date of the Arrangement Agreement;

“**1001872**” means 1001872 B.C. Ltd., a private company incorporated under the Act;

"**1001872 Shareholder**" means a holder of 1001872 Shares;

"**1001872 Shares**" means the common shares without par value in the authorized share structure of 1001872, as constituted on the date of the Arrangement Agreement;

“**1001886**” means 1001886 B.C. Ltd., a private company incorporated under the Act;

"**1001886 Shareholder**" means a holder of 1001886 Shares;

"**1001886 Shares**" means the common shares without par value in the authorized share structure of 1001886, as constituted on the date of the Arrangement Agreement;

"**Auxellence**" means Auxellence Health Corporation;

"**Auxellence Class A Shares**" means the renamed and re-designated Auxellence Shares described in Section 3.1(b)(i) of the Plan of Arrangement;

"**Auxellence Class A Preferred Shares**" means the class "A" preferred shares without par value which will be created and issued pursuant to Section 3.1(b)(iii) of the Plan of Arrangement;

"**Auxellence Shareholder**" means a holder of Auxellence Shares;

"**Auxellence Shares**" means the common shares without par value in the authorized share structure of the Company, as constituted on the date of the Arrangement Agreement;

"**Act or BCBCA**" means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"**Arrangement**" means the arrangement under the Arrangement Provisions pursuant to which the Company proposes to reorganize its business and assets, and which is set out in detail in the Plan of Arrangement;

"**Arrangement Agreement**" means the agreement dated effective May 12, 2014 between the Company, 1001876, 1001875, 1001872 and 1001886, a copy of which is attached as Schedule "B" to this Circular, and any amendment(s) or variation(s) thereto;

"**Arrangement Provisions**" means Part 9, Division 5 of the Act;

"**Arrangement Resolution**" means the special resolution to be considered by the Auxellence Shareholders to approve the Arrangement, the full text of which is set out in Schedule "A" to this Circular;

"**Assets**" means the assets of the Company to be transferred to 1001876, 1001875, 1001872 and 1001886 pursuant to the Arrangement, being the respective property agreements described in this Circular;

"**Beneficial Shareholder**" means an Auxellence Shareholder who is not a Registered Shareholder;

"**Board**" means the board of directors of the Company;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

"**Circular**" means this management information circular;

"**Company**" means Auxellence Health Corporation;

"**Computershare**" means Computershare Trust Company of Canada;

"**Conversion Factor**" means the number arrived at by dividing the number of issued Auxellence Shares as of the close of business on the Share Distribution Record Date by up to 2,118,884,200 (or up to 42,377,684 x 50), as determined by the Board;

"**Court**" means the Supreme Court of British Columbia;

"**Dissenting Shareholder**" means an Auxellence Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Auxellence Shares in accordance with the Interim Order and the Plan of Arrangement;

"**Dissenting Shares**" means the Auxellence Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

"**Effective Date**" means the date upon which the Arrangement becomes effective;

"**Exchange**" means the Canadian Securities Exchange;

"**Final Order**" means the final order of the Court approving the Arrangement;

"**Fight Court**" means Fight Court Internet Ventures Inc.;

"**Fight Court LOI**" means the letter of intent entered into between the Company and Fight Court with respect to the Proposed Fight Court Acquisition;

"**Frack Water**" means 1001589 B.C. Ltd., a private British Columbia company;

"**Frack Water LOI**" means the letter of intent entered into between the Company and Frack Water with respect to the Proposed Frack Water Acquisition;

"**Hit**" means Hit Technologies Inc.;

"**Hit LOI**" means the letter of intent entered into between the Company and Hit with respect to the Proposed Hit Acquisition;

"**Interim Order**" means the interim order of the Court pursuant to the Act in respect of the Arrangement dated May 13, 2014 a copy of which is attached to this Circular as Schedule "C";

"**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

"**Juan De Fuca**" means Juan De Fuca Resources Corp.;

"**Juan De Fuca LOI**" means the letter of intent entered into between the Company and Juan De Fuca with respect to the Proposed Juan De Fuca Acquisition;

"Meeting" means the special meeting of the Auxellence Shareholders to be held on June 11, 2014, and any adjournment(s) or postponement(s) thereof;

"New Shares" means the new class of common shares without par value which the Company will create pursuant to Section 3.1(b)(ii) of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Auxellence Shares;

"Notice of Meeting" means the notice of special meeting of the Auxellence Shareholders in respect of the Meeting;

"Plan of Arrangement" means the plan of arrangement attached as Schedule A to the Arrangement Agreement, which Arrangement Agreement is attached as Schedule "B" to this Circular, and any amendment(s) or variation(s) thereto;

"Proposed Hit Acquisition" means the proposed acquisition by 1001872 of Hit, subject to completion of the Arrangement;

"Proposed Juan De Fuca Acquisition" means the proposed acquisition by 1001875 of Juan De Fuca, subject to completion of the Arrangement;

"Proposed Fight Court Acquisition" means the proposed acquisition by 1001886 of Fight Court, subject to completion of the Arrangement;

"Proposed Frack Water Acquisition" means the proposed acquisition by 1001876 of Frack Water, subject to completion of the Arrangement;

"Proxy" means the form of proxy accompanying this Circular;

"Registered Shareholder" means a registered holder of Auxellence Shares as recorded in the shareholder register of the Company maintained by Computershare;

"Registrar" means the Registrar of Companies under the Act;

"SEC" means the United States Securities and Exchange Commission;

"SEDAR" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"Share Distribution Record Date" means the close of business on the day which is four Business Days after the date of the Meeting or such other day as agreed to by the Company, 1001876, 1001875, 1001872, and 1001886 which date establishes the Auxellence Shareholders who will be entitled to receive 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares pursuant to the Plan of Arrangement;

"Tax Act" means the *Income Tax Act* (Canada), as may be amended, or replaced, from time to time;

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as may be amended, or replaced, from time to time; and

"U.S. Securities Act" means the United States Securities Act of 1933, as may be amended, or replaced, from time to time.

SUMMARY OF INFORMATION CIRCULAR

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, the Arrangement Agreement and Plan of Arrangement attached as Schedule B to this Circular. Capitalized terms used in this summary and elsewhere in this Circular and not otherwise defined are defined in the “Glossary of Terms” which precedes this summary.

References in this Circular to a fiscal or financial year are to the year ended June 30, 2013. References in this Circular are to Canadian dollars unless otherwise indicated.

The Meeting

The Meeting will be held at Spanish Banks boardroom, 2nd Floor, at 510 Burrard Street, Vancouver, British Columbia, on June 11, 2014, commencing at the hour of 10:00 a.m. (Pacific Daylight Savings time).

At the Meeting, Auxellence Shareholders will be asked to elect directors (see “Annual Meeting Business - Election of Directors”), appoint its auditor (see “Annual Meeting Business - Appointment of Auditor”), and vote to adopt revised Articles. Auxellence Shareholders will also be asked to consider, and if deemed advisable, approve the Arrangement Resolution authorizing the Arrangement, and to consider such other matters as may properly come before the Meeting.

By passing the Arrangement Resolution, the Auxellence Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Auxellence Shareholders.

The Arrangement

The Company is a health technology company providing high-level online personal health solutions to customers of OTC (Over-The-Counter) consumer health products and services in the skincare (acne) and weight management sectors of the healthcare industry.

The purpose of the Arrangement is to restructure the Company by creating four companies, 1001876, 1001875, 1001872, and 1001886 which will become reporting issuers in the Provinces of British Columbia and Alberta upon completion of the Arrangement. The Company believes this will be beneficial to the shareholders of the Company, as it is intended that each of 1001876, 1001875, 1001872, and 1001886 will enter into definitive agreements to acquire a business upon completion of the Arrangement. Management also believes that by creating these four new companies and providing Auxellence Shareholders with interests in these companies, shareholder value will be enhanced. In this regard, the Company has entered into the Hit LOI whereby, subject to completion of the Arrangement, 1001872 will negotiate with Hit for the Proposed Hit Acquisition. In addition, the Company has entered into the Juan De Fuca LOI whereby, subject to completion of the Arrangement, 1001875 will negotiate with Juan De Fuca for the Proposed Juan De Fuca Acquisition. In addition, the Company has entered into the Fight Court LOI whereby, subject to completion of the Arrangement, 1001886 will negotiate with Fight Court for the Proposed Fight Court Acquisition. In addition, the Company has entered into the Frack Water LOI whereby, subject to completion of the Arrangement, 1001876 will negotiate with Frack Water for the Proposed Frack Water Acquisition.

Each of the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition are subject to completion of the Arrangement. Should the Arrangement be completed, each of the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition would be subject to the execution by 1001876, 1001875, 1001872, and 1001886 of definitive agreements respectively. The terms and conditions of such definitive agreements have not been finalized and it is anticipated that the Proposed Hit Acquisition, the Proposed Juan De Fuca Acquisition, the Proposed Fight Court Acquisition and the Proposed Frack Water Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

By resolution dated May 12, 2014, the Board approved the Arrangement and authorized the making of an application to the Court for the calling of the Meeting. Provided all conditions to implement the Arrangement are satisfied, the appropriate votes of Auxellence Shareholders’ authorizing the implementation of the Arrangement are obtained and the Final Court Order is obtained, transfer all rights, interests, claims and options held by the Company to its subsidiaries, affiliates or other assignee or nominee company, or any combination thereof, in addition to taking all necessary steps permitted by law and any and all necessary corporate actions to dispose of assets held by the Company prior to the amalgamation, including but not limited to the creation of holding companies and the completion of a plan of arrangement, as deemed necessary and advisable in the sole discretion of the directors of the Company.

The Arrangement has been proposed to efficiently facilitate the reorganization of the Company's existing assets to its subsidiaries. The Company believes that the Arrangement offers a number of benefits to shareholders, a few of which are set out below:

- i) By creating subsidiaries which will acquire the Company's existing assets and become separate reporting entities, the Company will be better able to pursue different specific operating strategies directly on its own and indirectly through its holdings in the former subsidiaries without being subject to the financial constraints of competing interests.
- ii) After the separation, each company will also have the flexibility to implement its own unique growth strategies, allowing both organizations to refine and refocus their business mix.
- iii) Additionally, because the resulting businesses will be focused in their respective industries, they will be more readily understood by public investors, allowing each company to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.
- iv) The Company will continue to operate its healthcare technology business.

Pursuant to the Arrangement,

- a) Auxellence will transfer to 1001872 \$1,000 in cash and all of Auxellence's interest in and to the Hit LOI in exchange for approximately 42,377,684 1001872 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving five hundred (500) 1001872 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date;
- b) Auxellence will transfer to 1001875 \$1,000 in cash and all of Auxellence's interest in and to the Juan De Fuca LOI in exchange for 42,377,684 1001875 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving five hundred (500) 1001875 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date;
- c) Auxellence will transfer to 1001886 \$1,000 in cash and all of Auxellence's interest in and to the Fight Court LOI in exchange for 42,377,684 1001886 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving five hundred (500) 1001886 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date; and
- d) Auxellence will transfer to 1001876 \$1,000 in cash and all of Auxellence's interest in and to the Frack Water LOI in exchange for 42,377,684 1001876 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving five hundred (500) 1001876 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date.

Each Auxellence Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold the identical number of New Shares in the capital of the Company and its pro-rata share of the 1001872 Shares, 1001875 Shares, 1001886 Shares and 1001876 Shares to be distributed under the Arrangement for each currently held Auxellence Share, in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886. The New Shares will be identical in every respect to the present Auxellence Shares. See "The Arrangement – Details of the Arrangement".

Recommendation and Approval of the Board of Directors

The directors of the Company have concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the Auxellence Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Auxellence Shareholders and the Court for approval. The Board recommends that Auxellence Shareholders vote FOR the approval of the Arrangement. See "The Arrangement – Recommendation of Directors".

The Arrangement must be approved by two-thirds of the votes cast at the Meeting by Auxellence Shareholders and by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to Auxellence Shareholders.

There is the availability of rights of dissent to registered Shareholders with respect to the Arrangement.

Reasons for the Arrangement

The decision to proceed with the Arrangement was based on the following primary determinations:

1. the Company's primary focus has been in the health technology industry. The formation of 1001872 to assume the Hit LOI, the formation of 1001875 to assume the Juan De Fuca LOI, the formation of 1001886 to assume the Fight Court LOI, and the formation of 1001876 to assume the Frack Water LOI will allow for the Company to keep moving forward and at the same time enable the Company's shareholders to retain an interest in these other companies moving forward; the Arrangement will benefit the Auxellence Shareholders generally through providing them with ownership positions in these companies;
2. following the Arrangement, the Board and management of the Company will remain the same, and management of 1001876, 1001875, 1001872, and 1001886 will be free to focus on developing the Hit LOI, the Juan De Fuca LOI, the Fight Court LOI and the Frack Water LOI;
3. the formation of 1001872 and the distribution of approximately 42,377,684 1001872 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Hit LOI;
4. the formation of 1001875 and the distribution of approximately 42,377,684 1001875 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Juan De Fuca LOI;
5. the formation of 1001886 and the distribution of approximately 42,377,684 1001886 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Fight Court LOI;
6. the formation of 1001876 and the distribution of approximately 42,377,684 1001876 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Frack Water LOI;
7. as a separate company, 1001872 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Hit LOI and to finance the acquisition and development of any other projects that 1001872 may acquire on a priority basis;
8. as a separate company, 1001875 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Juan De Fuca LOI and to finance the acquisition and development of any other projects that 1001875 may acquire on a priority basis;
9. as a separate company, 1001886 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Fight Court LOI and to finance the acquisition and development of any other projects that 1001886 may acquire on a priority basis;
10. as a separate company, 1001876 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Frack Water LOI and to finance the acquisition and development of any other projects that 1001876 may acquire on a priority basis;
11. as a separate company, 1001872 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders;
12. as a separate company, 1001875 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders;

13. as a separate company, 1001886 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders; and
14. as a separate company, 1001876 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

See "The Arrangement – Reasons for the Arrangement".

Conduct of Meeting and Shareholder Approval

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66^{2/3} of the eligible votes cast with respect to the Arrangement Resolution by Auxellence Shareholders present in person or by proxy at the Meeting. See "The Arrangement – Shareholder Approval".

Court Approval

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holdings of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

The Notice of Hearing of Petition for the Final Order is attached to the Notice of Meeting. In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the Auxellence Shareholders. The Court will also be advised that based on the Court's approval of the Arrangement, the Company, 1001876, 1001875, 1001872, and 1001886 will rely on an exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act for the issuance of the New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares to any United States based Auxellence Shareholders. Assuming approval of the Arrangement by the Auxellence Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 10:00 a.m. (Vancouver time) on or after June 13, 2014, at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any Auxellence Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. See "The Arrangement – Court Approval of the Arrangement".

Income Tax Considerations

Canadian Federal income tax considerations for Auxellence Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary herein entitled "Income Tax Considerations – Certain Canadian Federal Income Tax Considerations", and certain United States Federal income tax considerations for Auxellence Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary entitled "Income Tax Considerations – Certain U.S. Federal Income Tax Considerations".

Auxellence Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Right to Dissent

Auxellence Shareholders will have the right to dissent from the Plan of Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the Act. Any Auxellence Shareholder who dissents will be entitled to be paid in cash the fair value for their Auxellence Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its Auxellence Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company's head office at 2922 Mt. Seymour Pkwy, Vancouver, British Columbia V7H 1E9, at least two (2) days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and section 237 to 247 of the Act. See "Right to Dissent".

Investment Considerations

Investments in development stage companies such as the Company, 1001876, 1001875, 1001872, and 1001886 are highly speculative and subject to numerous and substantial risks which should be considered in relation to the Arrangement. There is no assurance that a public market will continue in the New Common Shares or that there will be a public market for the 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares after the Effective Date. See “Information Concerning the Company – Risk Factors”, “Information Concerning 1001872 – Risk Factors”, “Information Concerning 1001875 – Risk Factors”, “Information Concerning 1001886 – Risk Factors” and “Information Concerning 1001876 – Risk Factors”.

Failure to Complete Arrangement

IN THE EVENT THE ARRANGEMENT RESOLUTION IS NOT PASSED BY AUXELLENC SHAREHOLDERS, THE COURT DOES NOT APPROVE THE ARRANGEMENT OR THE ARRANGEMENT DOES NOT PROCEED FOR SOME OTHER REASON, THE COMPANY WILL CARRY ON BUSINESS AS IT IS CURRENTLY CARRYING ON. IN SUCH CIRCUMSTANCES, 1001876, 1001875, 1001872, AND 1001886 WILL LIKELY REMAIN AS DORMANT SUBSIDIARIES OF THE COMPANY.

Information Concerning the Company and 1001872 After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. Each Auxellence Shareholder will continue to be a shareholder of the Company with each currently held Auxellence Share representing one New Share in the capital of the Company, and each Auxellence Shareholder on the Share Distribution Record Date will receive its pro-rata share of the approximately 42,377,684 1001872 Shares, (multiplied by the Conversion Factor) to be distributed to such Auxellence Shareholders under the Arrangement, in addition to each Auxellence Shareholder receiving 500 1001872 Shares.

Following completion of the Arrangement, 1001872 will be a company reporting in the jurisdictions of British Columbia and Alberta, the shareholders of which will be the holders of Auxellence Shares on the Share Distribution Record Date. 1001872 will have all of Auxellence's interest in the Hit LOI.

Information Concerning the Company and 1001875 After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. Each Auxellence Shareholder will continue to be a shareholder of the Company with each currently held Auxellence Share representing one New Share in the capital of the Company, and each Auxellence Shareholder on the Share Distribution Record Date will receive its pro-rata share of the approximately 42,377,684 1001875 Shares, (multiplied by the Conversion Factor) to be distributed to such Auxellence Shareholders under the Arrangement, in addition to each Auxellence Shareholder receiving 500 1001875 Shares.

Following completion of the Arrangement, 1001875 will be a company reporting in the jurisdictions of British Columbia and Alberta, the shareholders of which will be the holders of Auxellence Shares on the Share Distribution Record Date. 1001875 will have all of Auxellence's interest in the Juan De Fuca LOI.

Information Concerning the Company and 1001886 After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. Each Auxellence Shareholder will continue to be a shareholder of the Company with each currently held Auxellence Share representing one New Share in the capital of the Company, and each Auxellence Shareholder on the Share Distribution Record Date will receive its pro-rata share of the approximately 42,377,684 1001886 Shares, (multiplied by the Conversion Factor) to be distributed to such Auxellence Shareholders under the Arrangement, in addition to each Auxellence Shareholder receiving 500 1001886 Shares.

Following completion of the Arrangement, 1001886 will be a company reporting in the jurisdictions of British Columbia and Alberta, the shareholders of which will be the holders of Auxellence Shares on the Share Distribution Record Date. 1001886 will have all of Auxellence's interest in the Fight Court LOI.

Information Concerning the Company and 1001876 After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. Each Auxellence Shareholder will continue to be a shareholder of the Company with each currently held Auxellence Share

representing one New Share in the capital of the Company, and each Auxellence Shareholder on the Share Distribution Record Date will receive its pro-rata share of the approximately 42,377,684 1001876 Shares, (multiplied by the Conversion Factor) to be distributed to such Auxellence Shareholders under the Arrangement, in addition to each Auxellence Shareholder receiving 500 1001876 Shares.

Following completion of the Arrangement, 1001876 will be a company reporting in the jurisdictions of British Columbia and Alberta, the shareholders of which will be the holders of Auxellence Shares on the Share Distribution Record Date. 1001876 will have all of Auxellence's interest in the Frack Water LOI.

Risk Factors

In considering whether to vote for the approval of the Arrangement, Auxellence Shareholders should be aware that there are various risks, including those described in this Circular. Auxellence Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

GENERAL INFORMATION FOR MEETING

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by the management of Auxellence Health Corporation (the "**Company**") for use at the annual general and special meeting of the shareholders of the Company to be held at Spanish Banks boardroom at 510 Burrard Street, Vancouver, British Columbia, at 10:00 a.m. on June 11, 2014 (the "**Meeting**"), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those Intermediaries and the Company will not reimburse the Intermediaries for their fees and disbursements in that regard.

Currency

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

Record Date

The Board has fixed May 2, 2014 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of and to vote at the Meeting. Only Auxellence Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Auxellence Shares voted at the Meeting.

Appointment of Proxy holders

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a shareholder of the company in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the company.

The individual(s) named in the accompanying form of proxy are management's representatives. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another proper proxy and, in either case, delivering the completed Proxy to the office of Computershare Trust Company, Proxy Department, 510 Burrard Street, 2nd Floor, Vancouver, BC, V6C 3B9, or voted via telephone or internet (online) as specified in the proxy form, no later than 4:30 p.m. on June 9, 2014, unless the chairman elects to exercise his discretion to accept proxies received subsequently.**

Voting by Proxy holder

The person(s) named in the Proxy will vote or withhold from voting the Auxellence Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter

to be acted upon, your Auxellence Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

If an Auxellence Shareholder does not specify a choice and the Auxellence Shareholder has appointed one of the management proxyholders as proxyholder, the management proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the Auxellence Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent Computershare Trust Company by mail to Proxy Department, 510 Burrard Street, 2nd Floor, Vancouver, BC V6C 3B9 or voted via telephone or internet (online) as specified in the proxy form, no later than 4:30 p.m. on June 9, 2014.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Auxellence Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Auxellence Shares). Most shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a non-registered shareholder are registered either: (i) in the name of an intermediary (an "Intermediary") that the non-registered shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSP, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited or the Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

If Auxellence Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those Auxellence Shares will not be registered in the shareholder's name on the records of the Company. Such Auxellence Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Auxellence Shares are registered under the name of CDS & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (called "OBOs" for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for non – objecting beneficial owners).

The Company is taking advantage of those provisions of National Instrument 54-101 – "Communication of Beneficial Owners of Securities" of the Canadian Securities Administrators, which permits it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scanable voting instruction form ("**VIF**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile to the number provided in the VIF. In addition, Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Auxellence represented by the VIFs it receives.

This Circular, with related material, is being sent to both Registered and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your Auxellence Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your Auxellence Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding your Auxellence Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their Auxellence Shares are voted at the Meeting.

The form of proxy that will be supplied to Beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions Inc., Canada, in Canada (collectively "**BFS**"). BFS mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same person(s) as the Proxy to represent Beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, Beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to BFS in the manner specified and in accordance with BFS's instructions. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Auxellence Shares to be represented at the Meeting. **If you receive a VIF from BFS, you cannot use it to vote Auxellence Shares directly at the Meeting. The VIF must be completed and returned to BFS in accordance with its instructions, well in advance of the Meeting in order to have the Auxellence Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Auxellence Shares registered in the name of your Intermediary, you, or a person designated by you, may attend at the Meeting as proxy holder for your Intermediary and vote your Auxellence Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Auxellence Shares as proxy holder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Auxellence Shares.

With respect to OBOs, in accordance with applicable securities law requirements, Auxellence will have distributed copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list ("**Meeting Materials**") request to the clearing agencies and Intermediaries for distribution to non-registered shareholders.

Intermediaries are required to forward the Meeting Materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to non-registered shareholders.

Beneficial Shareholders (non-registered shareholders) should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the registered office of the Company at 2922 Mt. Seymour Pkwy, North Vancouver, V7H 1E9, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Auxellence Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year–end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors, the appointment of the auditor and as may be otherwise set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Outstanding Auxellence Shares

The Company is authorized to issue an unlimited number of Auxellence Shares. As at May 13, 2014 there were 42,377,684 Auxellence Shares issued and outstanding, each carrying the right to one vote. Persons who are Registered Shareholders at the close of business on May 2, 2014 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Auxellence Share held. The Company has only one class of shares.

Principal Holders of Auxellence Shares

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Sydney Au	31,000,000	73.15%

⁽¹⁾ Mr. Au also holds \$238,500 of convertible debt (convertible into common shares at \$0.20)

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions and an affirmative vote of 66^{2/3} of the votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as special resolutions.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Interpretation

“Named executive officer” (“NEO”) means:

- (a) a Chief Executive Officer (“CEO”);
- (b) a Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Sydney Au, CEO, and Faisal Manji, CFO.

Compensation Program Objectives

The objectives of the Company’s executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company’s continued success;
- to align the interests of the Company’s executives with the interests of the Company’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company does not anticipate generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Company’s executive compensation program has been designed to reward executives for reinforcing the Company’s business objectives and values, for achieving the Company’s performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of base salary and consulting fees, performance bonus and stock option incentives.

Purpose of Each Element of the Executive Compensation Program

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. The pre-established, quantitative target(s) used to determine performance bonuses

are set each fiscal year. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year.

Stock options are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program

Compensation Committee

The Board as a whole serves as the Compensation Committee which is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Compensation Committee evaluates the performance of the chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

Base Salary

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Performance Bonuses

The Compensation Committee oversees the operation of the Corporation's bonus plan by evaluating and approving the targets and the objectives to be met by the NEO and the amount of bonus payable at specific levels of attainment of those targets and objectives. The bonus for each individual NEO varies dependent upon the position and the factors considered in assessing the bonus amounts include, but are not limited to, expense control and attainment of specific strategic business goals.

Stock Options

The Company has established a formal plan (the "**Stock Option Plan**") under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board, based on recommendations of the Compensation Committee where appropriate, determines which NEOs (and other persons) are entitled to participate in the Company's stock option plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price.

The Board makes these determinations subject to the provisions of the existing Stock Option Plan and, where applicable, the policies of the Exchange.

Previous grants of option-based awards are taken into account when considering new grants.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company for services in all capacities to the Company during the most recently completed financial year (June 30, 2013):

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
CEO Sydney Au	2013 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CFO Faisal Manji	2013 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The Company does not have any share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company.

Pension Plan Benefits – Defined Benefits Plan

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

The Company and its subsidiaries have no defined benefit or actuarial plans.

Termination and Change of Control Benefits

During the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

Director Compensation

Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company (other than NEOs) for the most recently completed financial year (June 30, 2013):

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Dominique Borrelly	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ronald Ozols	NIL	NIL	NIL	NIL	NIL	NIL	NIL

The Company has no other arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Circular.

The Company has a Stock Option Plan for the granting of incentive stock options to its officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the Company's shareholders.

Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company. Other than NEOs, whose compensation is fully reflected in the summary compensation table for the NEO's:

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number Of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value Of Vested Share-Based Awards Not paid out or distributed (\$)
Dominique Borrelly	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ronald Ozols	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year. Other than NEOs, whose compensation is fully reflected in the summary compensation table for the NEO's:

Director Name	Option-Based Awards – Value Vested During The Year (\$)	Share-Based Awards – Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)
Dominique Borrelly	NIL	NIL	NIL
Ronald Ozols	NIL	NIL	NIL

Long Term Incentive Plans

The Company does not have a Long Term Incentive Plan pursuant to which it provides compensation intended to motivate performance over a period greater than one financial year.

Termination of Employment, Change in Responsibilities and Employment Contracts

During the most recently completed financial year there were no employment contracts between the Company or its subsidiaries and a NEO, and no compensatory plans, contracts or arrangements where a NEO is entitled to receive more than \$100,000 from the Company or its subsidiaries, including periodic payments or installments, in the event of:

- (a) The resignation, retirement or any other termination of the NEO's employment with the Company and its subsidiaries;
- (b) A change of control of the Company or any of its subsidiaries; or
- (c) A change in the NEO's responsibilities following a change in control.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out, as of the end of the Company's fiscal year ended June 30, 2013, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Stock Option Plan	NIL	NIL	4,237,768

Corporate Governance Disclosure

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 - Corporate Governance Guidelines ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 Disclosure of Corporate Governance Practices mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board of Directors presently has four (4) directors, two (2) of whom are independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 Audit Committees ("NI 52-110"). A director is independent if he has no direct or indirect material relationship to the Company. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Ronald Ozols and Dominique Borrelly are considered to be independent directors. Sydney Au and Faisal Manji are not considered to be independent as they are senior officers of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning,

appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

The Company has not developed written position descriptions for the Chair and the Chief Executive Officer. The Chair is independent. Pursuant to the Business Corporations Act (British Columbia), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board of Directors meet independently of management members when warranted.

Other Directorships

The directors of the Company are also currently directors of the following reporting issuers:

Name	Reporting Issuer
Ronald Ozols	Haltain Developments Corp.
Dominique Borrelly	Eternity Healthcare Inc.

Management Supervision by Board

The operations of the Company do not support a large Board of Directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development.

Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent Directors are however able to meet at any time without any members of management including the non-independent Director being present. The Audit Committee is composed of three of the four current Directors of the Company.

Orientation and Continuing Education

The Company has not formalized an orientation program. If a new director was appointed or elected, however, he or she would be provided with orientation and education about the Company which would include information about the duties and obligations of directors, the business and operations of the Company, documents from recent board meetings and opportunities for meetings and discussion with senior management and other directors. Specific details of the orientation of each new director would be tailored to that director's individual needs and areas of interest.

The Company does provide continuing education opportunities to directors so that they may maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Company's business remains current.

In addition, Directors and management are provided with, review and discuss, developments in corporate governance, accounting practices, financing and the resource industry generally.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Directors are expected to attend all scheduled Board and committee meetings in person, although attendance by telephone is permissible. Directors are also expected to prepare thoroughly in advance of each meeting, and to stay for the entire meeting, in order to actively participate in the Board's deliberations and decisions. If there are unforeseen circumstances and a Director is unable to attend a meeting, he is expected to contact the Chairman/CEO or the Corporate Secretary of the Company as soon as possible after the meeting for a briefing on the substantive elements of the meeting.

Ethical Business Conduct

The Company has not taken any formal steps to promote a culture of ethical business conduct, but the Company and its management are committed to conducting its business in an ethical manner. This is accomplished by management actively doing the following in its administration and conduct of the Company's business:

1. The promotion of integrity and deterrence of wrongdoing.
2. The promotion of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
3. The promotion of avoidance or absence of conflicts of interest.
4. The promotion of full, fair, accurate, timely and understandable disclosure in public communications made by the Company.
5. The promotion of compliance with applicable governmental laws, rules and regulations.
6. Providing guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.
7. Helping foster a culture of integrity, honesty and accountability throughout the Company.

Nomination of Directors

The Board as a whole is responsible for identifying and evaluating qualified candidates for nomination to the Board.

In identifying candidates, the Board considers the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

The Company does not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

Compensation

The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling these responsibilities, the Board evaluates the performance of the Company's chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

The Audit Committee is comprised of three of the Company's four Directors: Sydney Au, Dominique Borrelly, and Ronald Ozols.

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of Directors, the Board has determined that additional standing committees are not necessary at this stage of the Company's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and its Audit Committee

Audit Committee

The following is the text of the Audit Committee Charter of the Company:

Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Company’s Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes.

Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting;
- internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Boards.

Composition

The Committee shall be comprised of a minimum two directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110), then: (i) the Committee shall be composed of a minimum of three (3) directors of the Company and (ii) all of the members of the Committee shall be required to be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer”, (as that term is defined in National Instrument 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

- a. review and update this Audit Committee Charter annually; and
- b. review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

- a. review annually, the performance of the external auditors who shall be ultimately accountable to the Company’s Board of Directors and the Committee as representatives of the shareholders of the Company;

- b. obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company;
- c. review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- d. take, or recommend that the Company's full Board take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- e. recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- f. recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- g. at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- h. review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- i. review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- j. review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services;
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee; and
 - iv. provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- a. in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- b. consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- c. consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- d. review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- e. following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

- f. review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- g. review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- h. review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- i. review certification process;
- j. establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- k. establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Internal Control

- a. consider the effectiveness of the Company's internal control system;
- b. understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- c. review external auditors' management letters and management's responses to such letters;
- d. as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;
- e. annually review the Corporation's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- f. discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

5. Other

- a. review any related-party transactions;
- b. engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- c. to set and pay compensation for any independent counsel and other advisors employed by the Committee.

General

The Audit Committee is a standing committee of the Board of Directors, the primary function of which is to assist the Board of Directors in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board of Directors and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board of Directors have established.

Composition

The Audit Committee consists of the following three directors. Also indicated is whether they are 'independent' and 'financially literate'.

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Sydney Au	No	Yes
Ronald Ozols	Yes	Yes
Dominique Borrelly	Yes	Yes

Notes:

- (1) A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President or Secretary, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Because the shares of the Company are listed on the Exchange, it is categorized as a venture issuer. As a result, National Instrument 52-110 Audit Committees ("NI 52-110") exempts the members of the Company's Audit Committee from being independent.

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows (for the fiscal year ended 2013):

Sydney Au – Mr. Au, brings experience and knowledge across a number of sectors and industries. As an M&A business specialist in the structuring of public companies, he has demonstrated leadership, and provided guidance as a director/officer on various boards. Mr. Au has evaluated, acquired, and taken public a number of medical technology based companies where he has created ROI. He has experience with companies in the healthcare sector which includes both investments, and/or the Reverse Take – Over (RTO) of a medical device-monitoring company (Biosign Technologies Corp.), an imaging diagnostics (PET-CT scanning company – Premier Diagnostic Health Services Inc.), and biotech/pharmaceutical/neutraceutical companies (Pivotal Therapeutics Inc.). In addition, Mr. Au has been active in expanding his private plastics manufacturing company, AK Plastic Bags Online Inc. by generating sales, improving manufacturing processes, and product development.

Ronald Ozols – Mr. Ozols has been involved in the media industry for over 32 years, first with Southam Inc. from 1979 to 1996, Hollinger Corporation from 1996 to 2003, and Canwest News Services from 2003 to 2010. Mr. Ozols is currently involved with the Pacific Newspaper Group as an advertising account executive and has completed numerous courses in advertising, public relations and sales at Douglas College, Simon Fraser University, and the University of British Columbia.

Dominique Borrelly – Mr. Borrelly led business development & acquisition activities in Healthcare Services/eHealth Solutions, Oncology & Diabetes (therapeutics and diagnostics) and Medical Devices, as Manager, Business Development and Acquisitions at Sanofi-Aventis Canada's Montreal headquarters. That experience as Healthcare Network Relationship Specialist developing and managing strategic partnerships relationships for Integrated Healthcare Networks, teaching hospitals and regional health authorities for British Columbia was personally fulfilling. Mr. Nick has also proudly served on the board of investment capital companies and facilitating successful qualifying transactions and subsequent listing of the target companies to be publicly traded.

Dominique Borrelly is not standing for re-election as a director of the Company. Mr. J. Scott Munro will replace Mr. Borrelly on the Audit Committee if elected at the Meeting.

J. Scott Munro - Mr. Munro is a business and accounting professional who studied through Thompson River University and the Certified General Accountants Association. He is the President and CEO of a private venture capital and investment banking firm which is interested in the media, entertainment, industrial technology, healthcare/pharmaceutical, energy, mining and telecommunications industries. As the leader of the management team, he facilitates company mergers and acquisitions, sourcing financially viable projects to take public along with providing access to venture capital. Since December 2013, Mr. Munro has held the position of CFO for ImmunoClin Corporation, a U.S. public company in the biotech industry. Previously, Mr. Munro held the position of Principal Financial Officer and Controller of the Most Home group of companies from 1999 to 2009, at the time the largest wireless real estate service provider in North America. During his tenure at Most Home, Mr. Munro completed an IPO and merger to take the company public, several acquisitions, mergers, and divestitures. Mr. Munro's previous experience also includes managing a chain of fitness clubs and controller of a regional helicopter company for several years.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in NI 52-110, the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
June 30, 2013	\$6,000	Nil	Nil	Nil
June 30, 2012	\$5,000	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees (consolidated statements).
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 because it is a venture issuer.

Indebtedness of Directors and Senior Officers

None of the directors or executive officers of the Company or any subsidiary thereof, or any associate or affiliate of the above, is or has been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

FINANCIAL STATEMENTS

The Financial Statements will be presented to Shareholders at the Meeting. The Financial Statements have been filed on SEDAR and are available at www.sedar.com.

APPOINTMENT OF AUDITOR

It is the intention of the management designees, if named as proxy, to vote FOR the re-appointment of HLB Cinnamon Jang Willoughby Chartered Accountants as auditor for the Company to hold office until the next annual general meeting of Shareholders, at a remuneration to be fixed by the Board of Directors. HLB Cinnamon Jang Willoughby Chartered Accountants were first appointed auditor of the Company in 2012.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at 604-780-3311 to request copies of the Company's financial statements and related management's discussion and analysis.

Financial information is provided in the Company's comparative audited financial statements and management's discussion and analysis for its most recently completed financial year ended June 30, 2013, which are filed on SEDAR.

ADOPTION OF NEW ARTICLES

The Company is seeking shareholder approval that the Articles of the Company be altered by cancelling the existing Articles and creating and adopting the new form of Articles (the "**New Articles**").

The New Articles will contain the following provisions: (i) the Company may alter its Notice of Articles, articles and share structure in the following manner: the Company may by directors' resolution, create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established; subdivide or consolidate all or any of its unissued, or fully paid issued, shares; if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares; or if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; alter the identifying name of any of its shares; or adopt alterations to the articles that are procedural or administrative in nature or are matters that pursuant to the articles are solely within the directors' powers, control or authority and (ii) shareholders' meetings may, if authorized by the directors, be held outside British Columbia.

So long as the Company's securities are listed on the Canadian Securities Exchange, any share consolidations are subject to acceptance by the Canadian Securities Exchange.

Recommendation of the Board

The Board recommends adopting the New Articles. The full text of the proposed New Articles will be presented to the shareholders at the Meeting. Shareholders wishing to view the proposed Articles in advance of the Meeting may do so at the registered office of the Company, during normal business hours, or by requesting a copy from the Company. The legal text of the proposed special resolution is set out as follows:

“RESOLVED, as a special resolution, that:

- (a) the Articles of the Company be altered by deleting and cancelling the Company's existing Articles and creating and adopting new Articles, which new set of Articles in substantially the form as presented to the shareholders at the Meeting.
- (b) any one officer or director of the Company be and is hereby authorized to execute and deliver all documents and do all things as in the opinion of the Board is necessary or desirable to implement this special resolution, including any filings with the Registrar of Companies (British Columbia), that may be necessary to effect the amendment, the Board may make modifications hereto in accordance with the policies of the Canadian Securities Exchange and the Board, may in their sole discretion and without further approval from the shareholders, revoke this special resolution or postpone the implementation of this special resolution.”

This resolution must be passed by not less than two-thirds (2/3rds) of the cast by the Shareholders present in person or by proxy at the Meeting.

Management has recommended that you vote **FOR** the adoption of the New Articles.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DIRECTOR'S APPROVAL

The contents of this Circular and the sending thereof to the Auxellence Shareholders have been approved by the Board.

ELECTION OF DIRECTORS

The Board of Directors presently consists of 4 directors, and it is anticipated that 4 directors will be elected for the coming year. The term of office for persons elected at the Meeting will expire at the next annual general meeting of Shareholders, unless a director resigns or is otherwise removed in accordance with the *BCBCA*.

The persons named below will be presented at the Meeting for election as directors as nominees of management. It is the intention of the management designees, if named as proxy, to vote FOR the election of the persons listed in the table below to the Board of Directors.

Sydney Au – Mr. Au, brings experience and knowledge across a number of sectors and industries. As a M&A business specialist in the structuring of public companies, he has demonstrated leadership, and provided guidance as a director/officer on various boards. Mr. Au has evaluated, acquired, and taken public a number of medical technology based companies where he has created ROI. He has experience with companies in the healthcare sector which includes both investments, and/or the Reverse Take – Over (RTO) of a medical device-monitoring company (Biosign Technologies Corp.), an imaging diagnostics (PET-CT scanning company – Premier Diagnostic Health Services Inc.), and biotech/pharmaceutical/nutraceutical companies (Pivotal Therapeutics Inc.). In addition, Mr Au has been active in expanding his private plastics manufacturing company, AK Plastic Bags Online Inc. by generating sales, improving manufacturing processes, and product development.

Ronald Ozols – Mr. Ozols has been involved in the media industry for over 32 years, first with Southam Inc. from 1979 to 1996, Hollinger Corporation from 1996 to 2003, and Canwest News Services from 2003 to 2010. Mr. Ozols is currently involved with the Pacific Newspaper Group as an advertising account executive and has completed numerous courses in advertising, public relations and sales at Douglas College, Simon Fraser University, and the University of British Columbia.

J. Scott Munro - Mr. Munro is a business and accounting professional who studied through Thompson River University and the Certified General Accountants Association. He is the President and CEO of a private venture capital and investment banking firm which is interested in the media, entertainment, industrial technology, healthcare/pharmaceutical, energy, mining and telecommunications industries. As the leader of the management team, he facilitates company mergers and acquisitions, sourcing financially viable projects to take public along with providing access to venture capital. Since December 2013, Mr. Munro has held the position of CFO for ImmunoClin Corporation, a U.S. public company in the biotech industry. Previously, Mr. Munro held the position of Principal Financial Officer and Controller of the Most Home group of companies from 1999 to 2009, at the time the largest wireless real estate service provider in North America. During his tenure at Most Home, Mr. Munro completed an IPO and merger to take the company public, several acquisitions, mergers, and divestitures. Mr. Munro's previous experience also includes managing a chain of fitness clubs and controller of a regional helicopter company for several years.

Faisal Manji – Mr. Manji is a Certified General Accountant and holds a Bachelors of Commerce degree. He has been a controller for a variety of global resource companies for the past two years and is currently comptroller for Railhead Resources Ltd., and NewInco Resource Corp. with head offices in Vancouver. Prior to that, he was in public practice in tax with Desai and Associates for approximately 2 years. He is an avid golfer and skier in his down time and is a strong supporter of the BC Children's Hospital.

It should be noted that the names of further nominees for election as director may come from the floor during the Meeting.

The following table sets out the names of the persons to be presented for election as director as nominees of management, all other positions and offices with the Company now held by them, their principal occupation or employment, the year in which they became a director of the Company and the number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, if any, as at the date hereof:

Name of Nominee, Municipality of Residence and Present Position with the Company	Principal Occupation	Year First Became a Director	No. of Common Shares Beneficially Owned
Sydney Au Vancouver, BC President, Chief Executive Officer and Director (member of Audit Committee)	President and CEO of Auxellence Health Corp.; Director in a plastics extrusion manufacturing company, and business consultant	2011	31,000,000
Ronald Ozols Vancouver, BC Director (member of Audit Committee)	Advertising Account Executive at Post Media Network from 2010 to present; Canwest NewsServices from 2003 to 2010	2011	734,500
J. Scott Munro Vancouver, BC Director (member of Audit Committee)	President of an Investment Banking and Venture Capital Firm	N/A	Nil
Faisal Manji Vancouver, BC Chief Financial Officer and Director	Accountant	2012	Nil

Unless otherwise stated, each of the above proposed directors has held the principal occupation or employment indicated for the past five years.

The above information has been furnished by the respective directors individually. No

proposed director:

- (a) Is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- (b) Has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.
- (c) Has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

THE ARRANGEMENT

General

The Arrangement has been proposed to efficiently facilitate the reorganization of the Company's existing assets to its subsidiaries. Pursuant to the Arrangement,

- i) Auxellence will transfer to 1001872 \$1,000 in cash and all of Auxellence's interest in and to the Hit LOI in exchange for approximately 42,377,684 1001872 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001872 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date;
- ii) Auxellence will transfer to 1001875 \$1,000 in cash and all of Auxellence's interest in and to the Juan De Fuca LOI in exchange for approximately 42,377,684 1001875 Shares multiplied by the Conversion Factor,

in addition to each Auxellence Shareholder receiving 500 1001875 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date;

- iii) Auxellence will transfer to 1001886 \$1,000 in cash and all of Auxellence's interest in and to the Fight Court LOI in exchange for approximately 42,377,684 1001886 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001886 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date; and
- iv) Auxellence will transfer to 1001876 \$1,000 in cash and all of Auxellence's interest in and to the Frack Water LOI in exchange for approximately 42,377,684 1001876 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001876, Shares which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date.

Following the Arrangement, the Company will continue to carry on its primary business activities. Each Auxellence Shareholder will, immediately after the Effective Date, hold one New Share for each Auxellence Share held immediately prior to the Arrangement, which will be identical in every respect to the present Auxellence Shares, and each Auxellence Shareholder on the Share Distribution Record Date will receive its pro-rata share of the Auxellence Class A Preferred Shares, will receive its pro-rata share of the 42,377,684 1001876 Shares (multiplied by the Conversion Factor) that are acquired by the Company, will receive its pro-rata share of the 42,377,684 1001875 Shares (multiplied by the Conversion Factor) that are acquired by the Company, will receive its pro-rata share of the 42,377,684 1001872 Shares (multiplied by the Conversion Factor) that are acquired by the Company, and will receive its pro-rata share of the 42,377,684 1001886 Shares (multiplied by the Conversion Factor) that are acquired by the Company in exchange for the Assets described herein, in addition to each Auxellence Shareholder receiving 500 common shares of 1001876, 1001875, 1001872, and 1001886.

Reasons for the Arrangement

The Board has determined that the Company should concentrate its efforts on its primary business activities. To this end, the Board approved a reorganization of the Company pursuant to the Arrangement as described in this Circular.

The Board is of the view that the Arrangement will benefit the Company and the Auxellence Shareholders. This conclusion is based on the following primary determinations:

The decision to proceed with the Arrangement was based on the following primary determinations:

1. The Company's primary focus has been the online health solutions within the health technology industry. The formation of 1001872 to assume the Hit LOI, the formation of 1001875 to assume the Juan De Fuca LOI, the formation of 1001886 to assume the Fight Court LOI, and the formation of 1001876 to assume the Frack Water LOI will allow for the Company to keep moving forward and at the same time enable the Company's shareholders to retain an interest in these other companies moving forward; the Arrangement will benefit the Auxellence Shareholders generally through providing them with ownership positions in these companies;
2. following the Arrangement, the Board and management of the Company will remain the same, and management of 1001876, 1001875, 1001872, and 1001886 will be free to focus on developing the Hit LOI, the Juan De Fuca LOI, the Fight Court LOI and the Frack Water LOI;
3. the formation of 1001872 and the distribution of approximately 42,377,684 1001872 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Hit LOI;
4. the formation of 1001875 and the distribution of approximately 42,377,684 1001875 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence

Shareholders a direct interest in a new company that will focus on and pursue the development of the Juan De Fuca LOI;

5. the formation of 1001886 and the distribution of approximately 42,377,684 1001886 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Fight Court LOI;
6. the formation of 1001876 and the distribution of approximately 42,377,684 1001876 Shares multiplied by the Conversion Factor to the Auxellence Shareholders pursuant to the Arrangement will give the Auxellence Shareholders a direct interest in a new company that will focus on and pursue the development of the Frack Water LOI;
7. as a separate company, 1001872 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Hit LOI and to finance the acquisition and development of any other projects that 1001872 may acquire on a priority basis;
8. as a separate company, 1001875 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Juan De Fuca LOI and to finance the acquisition and development of any other projects that 1001875 may acquire on a priority basis;
9. as a separate company, 1001886 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Fight Court LOI and to finance the acquisition and development of any other projects that 1001886 may acquire on a priority basis;
10. as a separate company, 1001876 will have direct access to public and private capital markets and will be able to issue debt and equity to fund implementation and development of the Frack Water LOI and to finance the acquisition and development of any other projects that 1001876 may acquire on a priority basis;
11. as a separate company, 1001872 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders;
12. as a separate company, 1001875 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders;
13. as a separate company, 1001886 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders; and
14. as a separate company, 1001876 will be able to establish equity based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

Recommendation of Directors

The Board approved the Arrangement and authorized the submission of the Arrangement to the Auxellence Shareholders and the Court for approval. **The Board has concluded that the Arrangement is in the best interests of the Company and the Auxellence Shareholders, and recommends that the Auxellence Shareholders vote FOR the Arrangement Resolution at the Meeting.** In reaching this conclusion, the Board considered the benefits to the Company and the Auxellence Shareholders, as well as the financial position, opportunities and the outlook for the future potential and operating performance of the Company, 1001876, 1001875, 1001872, and 1001886.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Auxellence Shareholders by the Board based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66 and 2/3rds Auxellence Shareholder approval and approval by the Court after a hearing at which fairness will be considered;
2. the possibility of pursuing a proposed listing of the 1001876 Shares, 1001875 Shares, 1001872 Shares, and 1001886 Shares on the Canadian Securities Exchange;
3. the opportunity for Auxellence Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Auxellence Shares; and
4. each Auxellence Shareholder on the Share Distribution Record Date will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Auxellence Shareholder held in the Company prior to completion of the Arrangement and substantially the same pro-rata interest in 1001876, 1001875, 1001872, and 1001886 through its direct holdings of 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares rather than indirectly through the Company's holding of 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares, in addition to each Auxellence Shareholder receiving 500 common shares of 1001876, 1001875, 1001872, and 1001886.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is annexed as Schedule "B" to this Circular, and the Plan of Arrangement, which is attached as Schedule A to the Arrangement Agreement. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, save and except for Dissenting Shares, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement:

- (a) the Company will transfer the Hit LOI to 1001872, the Juan De Fuca LOI to 1001875, the Fight Court LOI to 1001886, and the Frack Water LOI to 1001876 in consideration for 42,377,684 shares from each of 1001876, 1001875, 1001872, and 1001886, in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886 (the **"Distributed 1001876 Shares, 1001875 shares, 1001872 Shares and 1001886 Shares"**), and the Distributed 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares will be multiplied by the Conversion Factor so that Auxellence will receive from each subsidiary the number of shares equal to the issued and outstanding Auxellence Shares as of the Share Distribution Record Date, after applying up to a 50 to 1 consolidation effect, in addition to each Auxellence Shareholders receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886. Thereafter the Company will be added to the central securities register of 1001876, 1001875, 1001872, and 1001886 in respect of such 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares;
- (b) The authorized share capital of Auxellence will be changed by:
 - (i) Altering the identifying name of the Auxellence Shares to class "A" common shares without par value, being the Auxellence Class A Shares;

- (ii) Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
 - (iii) Creating a class consisting of an unlimited number of class “A” preferred shares without par value, having the rights and restrictions described in Schedule “A” to the Plan of Arrangement, being the Auxellence Class A Preferred Shares;
- (c) Each issued Auxellence Class A Share will be exchanged for one New Share and one Auxellence Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Auxellence Class A Shares will be removed from the central securities register of Auxellence and will be added to the central securities register as the holders of the number of New Shares and Auxellence Class A Preferred Shares that they have received on the exchange;
- (d) All of the issued Auxellence Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Auxellence and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Auxellence Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Auxellence Class A Preferred Shares so that the aggregate paid up capital of the Auxellence Class A Preferred Shares is equal to the aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares as of the Effective Date, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, and each Auxellence Class A Preferred Share so issued will be issued by Auxellence at an issue price equal to the aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares as of the Effective Date, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, divided by the number of issued Auxellence Class A Preferred Shares, such aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, to be determined as at the Effective Date by resolution of the board of directors of Auxellence;
- (e) Auxellence will redeem the issued Auxellence Class A Preferred Shares for consideration consisting solely of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares such that each holder of Auxellence Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares that is equal to the number of Auxellence Class A Preferred Shares held by such holder multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886;
- (f) The name of each holder of Auxellence Class A Preferred Shares will be removed as such from the central securities register of Auxellence, and all of the issued Auxellence Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Auxellence;
- (g) The Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares transferred to the holders of the Auxellence Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of Auxellence Class A Preferred Shares and appropriate entries will be made in the central securities registers of each of 1001876, 1001875, 1001872, and 1001886;

- (h) The Auxellence Class A Shares and the Auxellence Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of Auxellence will be changed by eliminating the Auxellence Class A Shares and the Auxellence Class A Preferred Shares therefrom; and
- (i) The Notice of Articles and Articles of Auxellence will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;

In addition to the principal steps of the Arrangement occurring in the chronological order set out above, the time of the redemption of the Auxellence Class A Preferred Shares set out in step §(e) above will be deemed to occur immediately upon obtaining the conditional approval to list its New Shares on the Exchange.

Authority of the Board

By passing the Arrangement Resolution, the Auxellence Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Auxellence Shareholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Auxellence Shareholders. The Board has no current intention to amend the Plan of Arrangement, however, it is possible that the Board may determine that it is appropriate that amendments be made.

Conditions to the Arrangement

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Arrangement Agreement must be approved by the Auxellence Shareholders at the Meeting in the manner referred to under "Shareholder Approval";
2. the Arrangement must be approved by the Court in the manner referred to under "Court Approval of the Arrangement";
3. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company, 1001876, 1001875, 1001872 and 1001886; and
4. the Arrangement Agreement must not have been terminated.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases the Company or 1001876, 1001875, 1001872 and 1001886 as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Board intends to cause a certified copy of the Final Order to be filed with the Registrar under the Act, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

Management of the Company believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefore.

SHAREHOLDER APPROVAL

Auxellence Shareholder Approval

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least 66^{2/3} of the eligible votes cast in respect of the Arrangement Resolution by Auxellence Shareholders present in person or by proxy at the Meeting.

Shareholder Approval for 1001876, 1001875, 1001872 and 1001886

The Company, being the sole shareholder of 1001876, 1001875, 1001872 and 1001886 has approved the Arrangement by consent resolution.

COURT APPROVAL OF THE ARRANGEMENT

The Arrangement as structured requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Schedule "C" to this Circular. The Notice of Hearing of Petition for the Final Order is attached to the Notice of Meeting.

Assuming approval of the Arrangement Resolution by the Auxellence Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 10:00 a.m. (Vancouver time) on or after June 13, 2014 at the Courthouse located at 800 Smith Street, Vancouver, British Columbia or at such other date and time as the Court may direct. At this hearing, any security holder, director, auditor or other interested party of the Company who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The Court has broad discretion under the Act when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Auxellence Shareholders.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Share Distribution Record Date: May 2, 2014
Annual General and Special Meeting: June 11, 2014
Final Court Approval: June 13, 2014

Effective Date: To be determined
Mailing of Certificates or DRS Advices for 1001876 Shares, 1001875 Shares, 1001872 and 1001886 Shares: To be determined

Notice of the actual Share Distribution Record Date and Effective Date will be given to the Auxellence Shareholders through one or more press releases. The boards of directors of the Company, 1001876, 1001875, 1001872, and 1001886 respectively, will determine the Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

1001876, 1001875, 1001872, and 1001886 Share Certificates and Certificates for New Shares

After the Share Distribution Record Date, the share certificates representing, on their face, Auxellence Shares will be deemed to represent only New Shares with no right to receive 1001876 Shares, 1001875 Shares, 1001872 Shares or

1001886 Shares. Before the Share Distribution Record Date, the share certificates representing, on their face, Auxellence Shares, will be deemed under the Plan of Arrangement to represent New Shares and an entitlement to receive 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares in accordance with the terms of the Arrangement. As soon as practicable after the Effective Date, share certificates representing the appropriate number of 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares will be sent to all Auxellence Shareholders of record on the Share Distribution Record Date.

No new share certificates will be issued for the New Shares created under the Arrangement and therefore holders of Auxellence Shares must retain their certificates as evidence of their ownership of New Shares. Certificates representing, on their face, Auxellence Shares will constitute good delivery in connection with the sale of New Shares completed through the facilities of the Exchange after the Effective Date.

Relationship between the Company, 1001876, 1001875, 1001872, and 1001886 after the Arrangement

On completion of the Arrangement, Sydney Au, the CEO and a director of the Company, will be a director of 1001876 and 1001886, and Ron Ozols, a director of the Company, will be a director of 1001875 and 1001872.

Resale of New Shares and 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares

Exemption from Canadian Prospectus Requirements and Resale Restrictions

The issue of New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, such New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of New Shares or 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares to affect materially the control of the Company or 1001876, 1001875, 1001872 and 1001886 respectively, will be restricted as per securities regulations from reselling such shares. In addition, existing hold periods on any Auxellence Shares in effect on the Effective Date will be carried forward to the New Shares.

The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the New Shares and the 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares received upon completion of the Arrangement. All holders of Auxellence Shares are urged to consult with their own legal counsel to ensure that any resale of their New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares complies with applicable securities legislation.

Application of United States Securities Laws

The New Shares, the 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares to be issued to the Auxellence Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to Auxellence Shareholders resident in the United States in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Arrangement by the Court, and pursuant to available exemptions from registration under applicable state securities laws. The Court will be advised that the Court's approval, if obtained, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act.

U.S. Resale Restrictions – Securities Issued to Auxellence Shareholders

1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares to be issued to an Auxellence Shareholder who is an "affiliate" of either the Company or 1001876, 1001875, 1001872, and 1001886 prior to the Arrangement or will be an "affiliate" of 1001876, 1001875, 1001872, and 1001886 after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Pursuant to Rule 144 under the U.S. Securities Act, an

"affiliate" of an issuer for the purposes of the U.S. Securities Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Additional Information for U.S. Security Holders

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the Company, 1001876, 1001875, 1001872, and 1001886 have been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

Financial statements included herein have been prepared in accordance with generally accepted accounting principles (international financial reporting standards) and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies. Auxellence Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. See "Income Tax Considerations — Certain U.S. Federal Income Tax Considerations" for certain information concerning United States tax consequences of the Arrangement for investors who are resident in, or citizens of, the United States.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company, 1001876, 1001875, 1001872, and 1001886 are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and any experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of the Company, 1001876, 1001875, 1001872, and 1001886 and said persons may be located outside the United States.

Expenses of Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting, and legal fees will be borne by the party incurring them. The costs of the Arrangement to the Effective Date will be borne by the Company.

INCOME TAX CONSIDERATIONS

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Auxellence Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. No representation with respect to the Canadian federal income tax consequences to any particular Auxellence Shareholder is made herein. Accordingly, Auxellence Shareholders should consult their own tax advisors with respect to their particular circumstances including, where relevant, the application and effect of the income and other taxes of any country, province, territory, state or local tax authority.

Certain Canadian Federal Income Tax Considerations

The following fairly summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to an Auxellence Shareholder (in this summary, a "**Holder**") who, at all material times for purposes of the Tax Act:

- holds all Auxellence Shares, and will hold all New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares, solely as capital property;
- deals at arm's length with Auxellence, 1001876, 1001875, 1001872, and 1001886;
- is not "affiliated" with the Company or 1001876, 1001875, 1001872, and 1001886;
- is not a "financial institution" for the purposes of the mark-to-market rules in the Tax Act; and
- has not acquired Auxellence Shares on the exercise of an employee stock option.

Auxellence Shares, New Shares, 1001876 Shares, 1001875 Shares, 1001872 and 1001886 Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations there under (the "**Regulations**") and management's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). It also takes into account specific proposals to amend the Tax Act and Regulations (the "**Proposed Amendments**") announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that all Proposed Amendments will be enacted in their present form, and that there will be no other relevant change to any relevant law or administrative practice, although no assurances can be given in these respects. This summary does not take into account any provincial, territorial, or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter,

- the paid-up capital of the Auxellence Class A Shares (the re-designated Auxellence Shares) as computed for the purposes of the Tax Act will not be less than the fair market value of the Assets to be transferred to 1001876, 1001875, 1001872, and 1001886 pursuant to the Arrangement,

and is qualified accordingly.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any Auxellence Shareholder. Accordingly, Auxellence Shareholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.

Holders Resident in Canada

The following portion of the summary is applicable only to Holders (each, in this portion of the summary, a "**Resident Holder**") who are or are deemed to be residents in Canada for the purposes of the Tax Act.

Exchange of Auxellence Shares for New Shares and Auxellence Class A Preferred Shares

A Resident Holder whose Auxellence Class A Shares (the re-designated Auxellence Shares) are exchanged for New Shares and Auxellence Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base ("**ACB**") of the Holder's Auxellence Shares, determined immediately before the Arrangement, pro-rata to the New Shares and Auxellence Class A Preferred Shares received on the exchange based on the relative fair market values of those New Shares and Auxellence A Preferred Shares immediately after the exchange. The fair market value of the Auxellence Class A Shares and the New Shares is a question of fact to be determined having regard to all of the relevant circumstances.

Redemption of Auxellence Class A Preferred Shares

Pursuant to the Arrangement, the paid-up capital of the Auxellence Class A Shares immediately before their exchange for New Shares and Auxellence Class A Preferred Shares will be allocated to the Auxellence Class A Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares to be issued to Auxellence pursuant to the Arrangement in consideration for the Assets and the balance of such paid-up capital will be allocated to the New Shares to be issued on the exchange.

The Company expects that the fair market value of the 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares to be so issued will be materially less than the paid-up capital of the Auxellence Class A Shares immediately before the exchange. Accordingly, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares on the redemption of the Auxellence Class A Preferred Shares pursuant to the Arrangement.

Each Resident Holder whose Auxellence Class A Preferred Shares are redeemed for 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares pursuant to the Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares, less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below (see "Holders Resident in Canada — Taxation of Capital Gains and Losses").

The cost to a Resident Holder of Auxellence Class A Preferred Shares acquired on the exchange will be equal to the fair market value of the 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares at the time of their distribution.

Disposition of New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 100186 Shares

A Resident Holder who disposes of a New Share or 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below.

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain ("taxable capital gain") in income for the year, and may deduct one half of the capital loss ("allowable capital loss") against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of an Auxellence Class A Preferred Share, New Share, or a 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share by a Resident Holder that is

a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a "Canadian-controlled private corporation" for the purposes of the Tax Act may be required to pay an additional 6 $\frac{2}{3}$ % refundable tax in respect of any net taxable capital gain that it realizes on disposition of an Auxellence Class A Preferred Share, New Share or 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share.

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives, or is deemed to receive, on New Shares or 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on New Shares or 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" (as defined in the Tax Act) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the Tax Act to pay a refundable tax of 33 $\frac{1}{3}$ % on any dividend that it receives or is deemed to be received on New Shares or 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Any such Part IV tax will be refundable to it at the rate of \$1 for every \$3 of taxable dividends that it pays on its shares.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "**Resident Dissenter**") and consequently is paid the fair value for the Resident Dissenter's Auxellence Shares in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Resident Dissenter's Auxellence Shares. Any such deemed dividend will be subject to tax as discussed above under "Holders Resident in Canada — Taxation of Dividends". The Resident Dissenter will also realize a capital gain (capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (is exceeded by) the ACB of the shares. The Resident Dissenter will be required to include any resulting taxable capital in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See "Holders Resident in Canada – Taxation of Capital Gains and Losses".

The Resident Dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

Eligibility for Investment

Auxellence Class A Preferred Shares and New Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans ("**Registered Plans**") at any particular time provided that, at that time, either the shares are listed on a "prescribed stock exchange" or Auxellence is a "public corporation" as defined for the purposes of the Tax Act.

1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares will be qualified investments under the Tax Act for Registered Plans at any particular time provided that, at that time, the 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares are listed on a "prescribed stock exchange" or 1001876, 1001875, 1001872 or 1001886 is a "public corporation" as so defined.

The 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares may be listed on the Exchange, which is a prescribed stock exchange, at the Effective Date under the Arrangement. On March 19, 2007, the Government of Canada eliminated the concept of "prescribed stock exchange" for these purposes and replaced it with the concept of "designated stock exchange". The amendment, which provides that the list of designated stock exchanges includes all of the former prescribed stock exchanges, became effective on December 14, 2007.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations. Holders of securities who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements in such jurisdictions and with respect to the tax implications in such jurisdictions of owning shares after the Arrangement. Holders of securities should also consult their own tax advisors regarding provincial, territorial or state tax considerations of the Arrangement or of holding 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares.

Holders Not Resident in Canada

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Arrangement's U.S. tax implications.

The following portion of this summary is applicable only to Holders (each in this portion of the summary a "**Non-resident Holder**") who:

- have not been, are not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act;
- do not and will not, and are not and will not be deemed to, use or hold Auxellence Shares, New Shares, Auxellence Class A Preferred Shares, or 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares in connection with carrying on a business in Canada; and
- whose Auxellence Class A Shares (the re-designated Auxellence Shares), Auxellence Class A Preferred Shares, New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares will not at the Effective Date under the Arrangement, or at any material time thereafter, constitute "taxable Canadian property" for the purposes of the Tax Act.

Generally, an Auxellence Class A Share, Auxellence Class A Preferred Share, New Share, or 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share, as applicable, owned by a Non-resident Holder will not be taxable Canadian property of the Non-resident Holder at a particular time provided that, at that time, (i) the share is listed on a prescribed stock exchange (which includes the Exchange), (ii) neither the Non-resident Holder nor persons with whom the Non-resident Holder does not deal at arm's length alone or in any combination has owned 25% or more of the shares of any class or series in the capital of the issuing corporation within the previous five years, and (iii) the share was not acquired in a transaction as a result of which it was deemed to be taxable Canadian property of the Non-resident Holder. On March 19, 2007, the Government of Canada eliminated the concept of "prescribed stock exchange" for these purposes and replaced it with the concept of "designated stock exchange." The amendment, which provides that

the list of designated stock exchanges includes all of the former prescribed stock exchanges, became effective on December 14, 2007.

Special rules, which are not discussed in this summary, may apply to a Non-resident Holder that is an insurer carrying on business in Canada.

Capital Gains and Capital Losses on Share Exchanges and Subsequent Dispositions of Shares

A Non-resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange of Auxellence Class A Shares (the re-designated Auxellence Shares) for New Shares and Auxellence Class A Preferred Shares, nor on the redemption of Auxellence Class A Preferred Shares in consideration for 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares.

Similarly, any capital gain realized by a Non-resident Holder on the subsequent disposition or deemed disposition of a New Share or 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share acquired pursuant to the Arrangement will not be subject to tax under the Tax Act, provided either that the shares do not constitute taxable Canadian property of the Non-resident Holder at the time of disposition, or an applicable income tax treaty exempts the capital gain from tax under the Tax Act.

Non-resident Holders will be exempt from the reporting and withholding obligations of §116 of the Tax Act in respect of the disposition of Auxellence Class A Shares and Auxellence Class A Preferred Shares pursuant to the Arrangement.

Deemed Dividends on the Redemption of Auxellence Class A Preferred Shares

For the reasons set above under "Holders Resident in Canada — Redemption of Auxellence Class A Preferred Shares", the Company expects that no Non-Resident Holder will be deemed to have received a dividend on the redemption of Auxellence Class A Preferred Shares for 1001876 Shares, 1001875 Shares, 1001872 Shares or 100186 Shares.

Taxation of Dividends

A Non-resident Holder to whom a dividend on a New Share or 1001876 Share, 1001875 Share, 1001872 Share or 100186 Share is or is deemed to be paid, or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any.

Dissenting Non-resident Holders

A Non-resident Holder who validly exercises Dissent Rights (a "Non-resident Dissenter") and consequently is paid the fair value for the Non-resident Dissenter's Auxellence Shares in accordance with the Arrangement, will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Non-resident Dissenter's Auxellence Shares. Any such deemed dividend will be subject to tax as discussed above under "Holders Not Resident in Canada — Taxation of Dividends". The Non-resident Dissenter will not be subject to tax under the Tax Act on any capital gain that may arise in respect of the resulting disposition of the Auxellence Shares.

The Non-resident Holder will also be subject to Canadian withholding tax on that portion of any such payment that is on account of interest at the rate of 25%, unless reduced by an applicable income tax treaty, if any.

The foregoing discussion is only a general overview of the requirements of Canadian tax and securities laws for the resale of the New Shares and the 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares received upon completion of the Arrangement. All holders of Auxellence Shares are urged to consult with their own tax accountant or legal counsel to ensure that any resale of their New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares complies with applicable tax and securities legislation.

RIGHTS OF DISSENT

Dissenters' Rights

The Act does not contain a provision requiring the Company to purchase Auxellence Shares from Auxellence Shareholders who dissent from the Arrangement. However, pursuant to the terms of the Interim Order and the Plan of Arrangement, the Company has granted the Auxellence Shareholders who object to the Arrangement Resolution the right to dissent (the "**Dissent Right**") in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder's Auxellence Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. **A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule "D" to this Circular.**

An Auxellence Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a "**Notice of Dissent**") to the Company at its head office at 2922 Mt. Seymour Pkwy, North Vancouver, British Columbia, V7H 1E9, marked to the attention of the Chief Executive Officer, by either delivering the Notice of Dissent to the Company at least two days before the Meeting or by mailing the Notice of Dissent to the Company by registered mail post marked not later than two days before the Meeting.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Schedule "D" must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

Auxellence Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any Auxellence Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for an Auxellence Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that an Auxellence Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each Auxellence Share held by that Auxellence Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

Auxellence Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Schedule "D" and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.

RISK FACTORS

In evaluating the Arrangement, Auxellence Shareholders should carefully consider, in addition to the other information contained in this Circular, the risk factors associated with Auxellence, 1001876, 1001875, 1001872, and 1001886. These risk factors are not a definitive list of all risk factors associated with Auxellence and the business to be carried out by 1001876, 1001875, 1001872, and 1001886.

THE COMPANY AFTER THE ARRANGEMENT

The following is a description of the Company assuming completion of the Arrangement.

Name, Address and Incorporation

The Company (formerly 0924888BC), was incorporated on November 9, 2011, under the laws of the Province of British Columbia. The Company's head office is located at 2922 Mt. Seymour Pky, North Vancouver, BC. As a result of a completed plan of arrangement, it acquired a letter of intent to merge with C&C Cosmeceuticals Corporation ("C&C") through a business combination (the "C&C LOI").

Business of the Company – Three-year history

The Company (formerly 0924888 B.C. Ltd.) was incorporated in British Columbia on November 9, 2011 as a wholly-owned subsidiary of a reporting issuer, Haltain Developments Corp. The Company has not yet commenced commercial operations. During 2012, Haltain obtained final court approval to complete a plan of arrangement (the "Haltain Arrangement"), pursuant to Division 5 of Part 9 of the *BCBCA* with its wholly-owned subsidiary, Auxellence (formerly 0924888 B.C. Ltd. As a result of the Haltain Arrangement, it acquired a letter of intent to merge with C&C Cosmeceuticals Corporation ("C&C") through a business combination (the "C&C LOI"). The Company has not commenced any commercial operations other than acquiring the C&C LOI from Haltain. The Company, after combining with C&C, is operating as a consumer health technology company developing an expert medical system utilizing diagnostic and therapeutic devices to provide high-level online personal health solutions to customers of OTC (Over-The-Counter) health products and services in the skincare (acne) and weight management sectors.

Until completion of the Arrangement, each of 1001876, 1001875, 1001872, and 1001886 will be wholly-owned subsidiaries of the Company.

After completion of the Arrangement, the Company will continue to be listed on the Canadian Securities Exchange (the "CSE") and will continue to follow its current consumer health technology business.

Recent Developments

On April 24, 2014 the Company announced the Hit LOI.

On May 13, 2014 the Company announced the Juan De Fuca LOI.

On May 13, 2014 the Company announced the Fight Court LOI.

On May 13, 2014 the Company announced the Frack Water LOI.

For a more fulsome description of the business of the Company, please see management's discussion and analysis of its financial position and results of operations for the fiscal year ended June 30, 2013, a copy of which has been filed on SEDAR and is available for review at www.sedar.com.

Business of the Company Following the Arrangement

After completion of the Arrangement, the Company will continue to be listed on the CSE and will continue to follow its current consumer health technology business.

Dividend Policy

Auxellence has not paid dividends since incorporation. Auxellence currently intends to retain all available funds, if any, for use in its business.

Management's Discussion and Analysis

Management's discussion and analysis of its financial position and results of operations for the fiscal year ended June 30, 2013 has been filed on SEDAR and is available for review at www.sedar.com.

Management's discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended June 30, 2013. These financial statements have also been filed on SEDAR and are available for review at www.sedar.com.

Directors and Officers

The directors and officers of the Company elected at the Meeting will continue to be the directors and officers of the Company upon completion of the Arrangement. For further information, see "Annual Meeting Business - Election of Directors".

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company within the two years preceding the date of this Circular and which can be reasonably regarded as material to the Company are as follows:

- (1) The Arrangement Agreement;
- (2) The Hit LOI;
- (3) The Juan De Fuca LOI;
- (3) The Fight Court LOI; and
- (4) The Frack Water LOI.

Prior Sales

The Company issued 1,040,000 Auxellence Shares on November 5, 2013 and \$388,500 worth of debt convertible to common shares at \$0.20 on November 5, 2013.

Auditors and Registrar and Transfer Agent

The auditors for the Company are HLB Cinnamon Jang Willoughby Chartered Accountants, Metro Tower II Suite 900-4720 Kingsway Burnaby, BC V5H 4N2

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

The Company is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

INFORMATION CONCERNING 1001872 B.C. LTD.

Name, Address and Incorporation

1001872 was incorporated as "1001872 B.C. Ltd." pursuant to the Act on May 9, 2014 for the purposes of the Arrangement. 1001872 is currently a private company and a wholly-owned subsidiary of Auxellence 1001872's with its head office located at 2922 Mt Seymour Parkway, Vancouver, B.C., V7H 1E9 and its registered and records office is located at 5728 East Boulevard, Vancouver, British Columbia, V6M 4M4.

Prior to completion of the Arrangement, 1001872 will be a wholly-owned subsidiary of Auxellence. Upon completion of the Arrangement, 1001872 will be a reporting issuer in the provinces of British Columbia and Alberta. After the Effective Date, 1001872 will have no assets other than cash transferred to it pursuant to the Arrangement and the Hit LOI.

Description of Business of 1001872

Proposed Hit Acquisition

Hit is a private company incorporated under the *BCBCA* and is involved in the technology sector in the business of designing, manufacturing, and marketing various technologies, applications and accessories that enhance the functionality of image and video capturing capabilities of GoPro action cameras and iPhones.

Auxellence has entered into a letter of intent with Hit Technologies Inc. whereby, subject to completion of the Arrangement, 1001872 will negotiate a definitive agreement with Hit for the Proposed Hit Acquisition. Should the Arrangement be completed, the Proposed Hit Acquisition will be subject to the execution by 1001872 of the definitive agreement. The terms and conditions of the definitive agreement have not been finalized and it is anticipated that the Proposed Hit Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

In addition to completion of the Arrangement and negotiation and execution of the definitive agreement with Hit, completion of the Proposed Hit Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001872 and Hit; and (ii) completion of satisfactory due diligence. It is anticipated that a definitive agreement will be entered into on or before June 30, 2014. Should the Plan of Arrangement be completed, but a definitive agreement not entered into, shareholders of Auxellence will have an interest in 1001872, an unlisted reporting issuer in British Columbia and Alberta with no assets other than cash. Auxellence and Hit are at arm's length.

Should the Proposed Hit Acquisition be completed as currently contemplated, it is anticipated that the Auxellence Shareholders will benefit as a result of their 100% interest in 1001872.

Pursuant to the Arrangement, Auxellence will transfer to 1001872 all of Auxellence's interest in the Hit LOI and \$1,000 in cash in exchange for 42,377,684 1001872 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001875 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date. The \$1,000 coming from Auxellence as part of the Arrangement should provide 1001872 with the capital necessary to fulfill 1001872's short-term needs. Completion of the Arrangement is subject to the approval of the Arrangement by the Auxellence Shareholders, the Court and the Exchange.

Share Capital

The authorized capital of 1001872 consists of an unlimited number of common shares without par value. All 1001872 Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in 1001872's articles and the *BCBCA*.

Options to Purchase Shares

1001872 has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

1001872 has paid no dividends since its inception. At the present time, 1001872 intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of 1001872 and on such other factors as the board of directors of 1001872 may consider appropriate. However, since 1001872 is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of 1001872 Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Common Shares	Price per Share (\$)
May 9, 2014	1	\$0.01

Auditors and Registrar and Transfer Agent

The auditors for the Company will be HLB Cinnamon Jang Willoughby Chartered Accountants, Metro Tower II Suite 900-4720 Kingsway Burnaby, BC V5H 4N2

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

1001872 is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by 1001872 since its incorporation and which can be reasonably regarded as material to 1001872 are as follows:

1. Arrangement Agreement between Auxellence, 1001876, 1001875, 1001872, and 1001886 and the Auxellence Shareholders, dated May 12, 2014.

Risk Factors

An investment in a company such as 1001872 involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Hit Acquisition will be Completed as Contemplated or at all

Completion of the Proposed Hit Acquisition is subject to a number of conditions, including completion of the Arrangement and execution of a definitive agreement. Should the Arrangement fail to receive approval of the Auxellence Shareholders at the Meeting, 1001872 will remain as a wholly-owned subsidiary of Auxellence. Should the Arrangement be approved by the Auxellence Shareholders at the meeting, there is no assurance that the definitive agreement will be entered into, either on the terms set forth in the letter of intent with Hit, or at all. There is no assurance that the Proposed Hit Acquisition will be completed as contemplated or at all. In addition to completion of the Arrangement and negotiation and execution of the definitive agreement, completion of the Proposed Hit Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001872 and Hit; and (ii) completion of satisfactory due diligence. There is no assurance that any or all of these conditions will be satisfied or waived. In the event that the Arrangement is completed and the definitive agreement and/or Proposed Hit Acquisition are not consummated, 1001872 will remain as a reporting issuer in the provinces of Alberta and British Columbia and the 1001872 Shares will not be listed on any stock exchange. In such instance, 1001872 will effectively be a shell company with no assets other than a minimal amount of cash.

In the event that the Proposed Hit Acquisition is completed, 1001872 will be subject to the risks normally associated with technology companies. A more fulsome description of these risk factors is expected to be set forth in any disclosure document prepared in connection with the Proposed Hit Acquisition.

Requirements for Further Financing

1001872 presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and 1001872 proceeds with the Proposed Hit Acquisition, 1001872 will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that 1001872 will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause 1001872 to reduce or terminate its operations.

The 1001872 Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the 1001872 on any stock exchange will not be made on the Effective Date. While it is anticipated that 1001872 will enter into a definitive agreement with Hit, there is no assurance that the Proposed Hit Acquisition will be completed as contemplated or at all. As a result, there is no assurance when, or if, the 1001872 Shares will be listed on any stock exchange. If the 1001872 Shares are not listed on a designated stock exchange in Canada before the due date for 1001872's first income tax return or if 1001872 does not otherwise satisfy the conditions in the ITA to be a "public corporation", the 1001872 Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a 1001872 Share in circumstances where the 1001872 Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of Auxellence, incorporated for the purpose of the Arrangement, 1001872 has a very limited history of operations and must be considered a start-up. As such, 1001872 is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that 1001872 will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

1001872 has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of 1001872's business. There can be no assurance that the 1001872 will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of 1001872's business.

Negative Cash Flow

1001872 has no history of earnings or cash flow from operations. 1001872 does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of 1001872's securities, including the 1001872 Shares, may be sold and there is no assurance that the 1001872 Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the 1001872 Shares are listed on a stock exchange, holders of the 1001872 Shares may not be able to sell their 1001872 Shares. Even if a listing is obtained, there can be no assurance that an active public market for the 1001872 Shares will develop or be sustained after completion of the Arrangement. The holding of 1001872 Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity.

in their investment. The 1001872 Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

1001872 does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from 1001872 will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of 1001872 and other factors.

Conflicts of Interest

The directors of 1001872 may be directors, officers or shareholders of other companies that are engaged in similar businesses to 1001872. Such associations may give rise to conflicts of interest from time to time. The directors of 1001872 are required by law to act honestly and in good faith with a view to the best interests of 1001872 and to disclose any interest which they may have in any project or opportunity of 1001872. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not 1001872 will participate in any project or opportunity, the directors will primarily consider the degree of risk to which 1001872 may be exposed and its financial position at the time.

INFORMATION CONCERNING 1001875 B.C. LTD.

Name, Address and Incorporation

1001875 was incorporated as "1001875 B.C. Ltd." pursuant to the Act on May 9, 2014 for the purposes of the Arrangement. 1001875 is currently a private company and a wholly-owned subsidiary of Auxellence 1001875's with its head office located at 2922 Mt Seymour Parkway, Vancouver, B.C., V7H 1E9 and its registered and records office is located at 5728 East Boulevard, Vancouver, British Columbia, V6M 4M4.

Prior to completion of the Arrangement, 1001875 will be a wholly-owned subsidiary of Auxellence. Upon completion of the Arrangement, 1001875 will be a reporting issuer in the provinces of British Columbia and Alberta. After the Effective Date, 1001875 will have no assets other than cash transferred to it pursuant to the Arrangement and the Juan De Fuca LOI.

Description of Business of 1001875

Proposed Juan De Fuca Acquisition

Hit is a private company incorporated under the *BCBCA* and is involved in the mineral exploration sector involving its property and mining claims in the Vernon mining division, Okanagan District, B.C.

Auxellence has entered into a letter of intent with Juan De Fuca Resources Corp. whereby, subject to completion of the Arrangement, 1001875 will negotiate a definitive agreement with Juan De Fuca for the Proposed Juan De Fuca Acquisition. Should the Arrangement be completed, the Proposed Hit Acquisition will be subject to the execution by 1001875 of the definitive agreement. The terms and conditions of the definitive agreement have not been finalized and it is anticipated that the Proposed Hit Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

In addition to completion of the Arrangement and negotiation and execution of the definitive agreement with Hit, completion of the Proposed Juan De Fuca Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001875 and Juan De Fuca; and (ii) completion of satisfactory due diligence. It is anticipated that a definitive agreement will be entered into on or before June 30, 2014. Should the Plan of Arrangement be completed, but a definitive agreement not entered into, shareholders of Auxellence will have an interest in 1001875, an unlisted reporting issuer in British Columbia and Alberta with no assets other than cash. Auxellence and Juan De Fuca are at arm's length.

Should the Proposed Juan De Fuca Acquisition be completed as currently contemplated, it is anticipated that the Auxellence Shareholders will benefit as a result of their 100% interest in 1001875.

Pursuant to the Arrangement, Auxellence will transfer to 1001875 all of Auxellence's interest in the Juan De Fuca LOI and \$1,000 in cash in exchange for 42,377,684 1001875 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001875 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date. The \$1,000 coming from Auxellence as part of the Arrangement should provide 1001875 with the capital necessary to fulfill 1001875's short-term needs. Completion of the Arrangement is subject to the approval of the Arrangement by the Auxellence Shareholders, the Court and the Exchange.

Share Capital

The authorized capital of 1001875 consists of an unlimited number of common shares without par value. All 1001875 Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in 1001875's articles and the *BCBCA*.

Options to Purchase Shares

1001875 has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

1001875 has paid no dividends since its inception. At the present time, 1001875 intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of 1001875 and on such other factors as the board of directors of 1001875 may consider appropriate. However, since 1001875 is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of 1001875 Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Common Shares	Price per Share (\$)
May 9, 2014	1	\$0.01

Auditors and Registrar and Transfer Agent

The auditors for the Company will be HLB Cinnamon Jang Willoughby Chartered Accountants, Metro Tower II Suite 900-4720 Kingsway Burnaby, BC V5H 4N2

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

1001875 is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by 1001875 since its incorporation and which can be reasonably regarded as material to 1001875 are as follows:

1. Arrangement Agreement between Auxellence, 1001876, 1001875, 1001872, and 1001886 and the Auxellence Shareholders, dated May 12, 2014.

Risk Factors

An investment in a company such as 1001875 involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Juan De Fuca Acquisition will be Completed as Contemplated or at all

Completion of the Proposed Juan De Fuca Acquisition is subject to a number of conditions, including completion of the Arrangement and execution of a definitive agreement. Should the Arrangement fail to receive approval of the Auxellence Shareholders at the Meeting, 1001875 will remain as a wholly-owned subsidiary of Auxellence. Should the Arrangement be approved by the Auxellence Shareholders at the meeting, there is no assurance that the definitive agreement will be entered into, either on the terms set forth in the letter of intent with Juan De Fuca, or at all. There is no assurance that the Proposed Juan De Fuca Acquisition will be completed as contemplated or at all. In addition to completion of the Arrangement and negotiation and execution of the definitive agreement, completion of the Juan De Fuca Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001875 and Juan De Fuca; and (ii) completion of satisfactory due diligence. There is no assurance that any or all of these conditions will be satisfied or waived. In the event that the Arrangement is completed and the definitive agreement and/or Proposed Juan De Fuca Acquisition are not consummated, 1001875 will remain as a reporting issuer in the provinces of Alberta and British Columbia and the 1001875 Shares will not be listed on any stock exchange. In such instance, 1001875 will effectively be a shell company with no assets other than a minimal amount of cash.

In the event that the Proposed Juan De Fuca Acquisition is completed, 1001875 will be subject to the risks normally associated with mineral exploration companies. A more fulsome description of these risk factors is expected to be set forth in any disclosure document prepared in connection with the Proposed Juan De Fuca Acquisition.

Requirements for Further Financing

1001875 presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and 1001875 proceeds with the Proposed Hit Acquisition, 1001875 will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that 1001875 will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause 1001875 to reduce or terminate its operations.

The 1001875 Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the 1001875 on any stock exchange will not be made on the Effective Date. While it is anticipated that 1001875 will enter into a definitive agreement with Hit, there is no assurance that the Proposed Juan De Fuca Acquisition will be completed as contemplated or at all. As a result, there is no assurance when, or if, the 1001875 Shares will be listed on any stock exchange. If the 1001875 Shares are not listed on a designated stock exchange in Canada before the due date for 1001875's first income tax return or if 1001875 does not otherwise satisfy the conditions in the ITA to be a "public corporation", the 1001875 Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a 1001875 Share in circumstances where the 1001875 Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of Auxellence, incorporated for the purpose of the Arrangement, 1001875 has a very limited history of operations and must be considered a start-up. As such, 1001875 is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that 1001875 will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

1001875 has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of 1001875's business. There can be no assurance that the 1001875 will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of 1001875's business.

Negative Cash Flow

1001875 has no history of earnings or cash flow from operations. 1001875 does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of 1001875's securities, including the 1001875 Shares, may be sold and there is no assurance that the 1001875 Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the 1001875 Shares are listed on a stock exchange, holders of the 1001875 Shares may not be able to sell their 1001875 Shares. Even if a listing is obtained, there can be no assurance that an active public market for the 1001875 Shares will develop or be sustained after completion of the Arrangement. The holding of 1001875 Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The 1001875 Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

1001875 does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from 1001875 will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of 1001875 and other factors.

Conflicts of Interest

The directors of 1001875 may be directors, officers or shareholders of other companies that are engaged in similar businesses to 1001875. Such associations may give rise to conflicts of interest from time to time. The directors of 1001875 are required by law to act honestly and in good faith with a view to the best interests of 1001875 and to disclose any interest which they may have in any project or opportunity of 1001875. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not 1001875 will participate in any project or opportunity, the directors will primarily consider the degree of risk to which 1001875 may be exposed and its financial position at the time.

INFORMATION CONCERNING 1001876 B.C. LTD.

Name, Address and Incorporation

1001876 was incorporated as "1001876 B.C. Ltd." pursuant to the Act on May 9, 2014 for the purposes of the Arrangement. 1001876 is currently a private company and a wholly-owned subsidiary of Auxellence 1001876's with its head office located at 2922 Mt Seymour Parkway, Vancouver, B.C., V7H 1E9 and its registered and records office is located at 5728 East Boulevard, Vancouver, British Columbia, V6M 4M4.

Prior to completion of the Arrangement, 1001876 will be a wholly-owned subsidiary of Auxellence. Upon completion of the Arrangement, 1001876 will be a reporting issuer in the provinces of British Columbia and Alberta. After the Effective Date, 1001876 will have no assets other than cash transferred to it pursuant to the Arrangement and the Frack Water LOI.

Description of Business of 1001876

Proposed Frack Water Acquisition

Hit is a private company incorporated under the *BCBCA* and is involved in the oil and gas service sector involving frack water remediation.

Auxellence has entered into a letter of intent with Frack Water whereby, subject to completion of the Arrangement, 1001876 will negotiate a definitive agreement with Frack Water for the Proposed Frack Water Acquisition. Should the Arrangement be completed, the Proposed Frack Water Acquisition will be subject to the execution by 1001876 of the definitive agreement. The terms and conditions of the definitive agreement have not been finalized and it is anticipated that the Proposed Frack Water Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

In addition to completion of the Arrangement and negotiation and execution of the definitive agreement with Frack Water, completion of the Proposed Frack Water Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001876 and Frack Water; and (ii) completion of satisfactory due diligence. It is anticipated that a definitive agreement will be entered into on or before June 30th, 2014. Should the Plan of Arrangement be completed, but a definitive agreement not entered into, shareholders of Auxellence will have an interest in 1001876, an unlisted reporting issuer in British Columbia and Alberta with no assets other than cash. Auxellence and Frack Water are at arm's length.

Should the Proposed Frack Water Acquisition be completed as currently contemplated, it is anticipated that the Auxellence Shareholders will benefit as a result of their 100% interest in 1001876.

Pursuant to the Arrangement, Auxellence will transfer to 1001876 all of Auxellence's interest in the Frack Water LOI and \$1,000 in cash in exchange for 42,377,684 1001876 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001876 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date. The \$1,000 coming from Auxellence as part of the Arrangement should provide 1001876 with the capital necessary to fulfill 1001876's short-

term needs. Completion of the Arrangement is subject to the approval of the Arrangement by the Auxellence Shareholders, the Court and the Exchange.

Share Capital

The authorized capital of 1001876 consists of an unlimited number of common shares without par value. All 1001876 Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in 1001876's articles and the *BCBCA*.

Options to Purchase Shares

1001876 has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

1001876 has paid no dividends since its inception. At the present time, 1001876 intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of 1001876 and on such other factors as the board of directors of 1001876 may consider appropriate. However, since 1001876 is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of 1001876 Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Common Shares	Price per Share (\$)
May 9, 2014	1	\$0.01

Auditors and Registrar and Transfer Agent

The auditors for the Company will be HLB Cinnamon Jang Willoughby Chartered Accountants, Metro Tower II Suite 900-4720 Kingsway Burnaby, BC V5H 4N2

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

1001876 is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by 1001876 since its incorporation and which can be reasonably regarded as material to 1001876 are as follows:

1. Arrangement Agreement between Auxellence, 1001876, 1001875, 1001872, and 1001886 and the Auxellence Shareholders, dated May 12, 2014.

Risk Factors

An investment in a company such as 1001876 involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Frack Water Acquisition will be Completed as Contemplated or at all

Completion of the Proposed Frack Water Acquisition is subject to a number of conditions, including completion of the Arrangement and execution of a definitive agreement. Should the Arrangement fail to receive approval of the Auxellence Shareholders at the Meeting, 1001876 will remain as a wholly-owned subsidiary of Auxellence. Should the Arrangement be approved by the Auxellence Shareholders at the meeting, there is no assurance that the definitive agreement will be entered into, either on the terms set forth in the letter of intent with Hit, or at all. There is no assurance that the Proposed Frack Water Acquisition will be completed as contemplated or at all. In addition to completion of the Arrangement and negotiation and execution of the definitive agreement, completion of the Proposed Frack Water Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001876 and Frack Water; and (ii) completion of satisfactory due diligence. There is no assurance that any or all of these conditions will be satisfied or waived. In the event that the Arrangement is completed and the definitive agreement and/or Proposed Frack Water Acquisition are not consummated, 1001876 will remain as a reporting issuer in the provinces of Alberta and British Columbia and the 1001876 Shares will not be listed on any stock exchange. In such instance, 1001876 will effectively be a shell company with no assets other than a minimal amount of cash.

In the event that the Proposed Frack Water Acquisition is completed, 1001876 will be subject to the risks normally associated with oil and gas service companies. A more fulsome description of these risk factors is expected to be set forth in any disclosure document prepared in connection with the Proposed Frack Water Acquisition.

Requirements for Further Financing

1001876 presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and 1001876 proceeds with the Proposed Frack Water Acquisition, 1001876 will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that 1001876 will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause 1001876 to reduce or terminate its operations.

The 1001876 Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the 1001876 on any stock exchange will not be made on the Effective Date. While it is anticipated that 1001876 will enter into a definitive agreement with Hit, there is no assurance that the Proposed Frack Water Acquisition will be completed as contemplated or at all. As a result, there is no assurance when, or if, the 1001876 Shares will be listed on any stock exchange. If the 1001876 Shares are not listed on a designated stock exchange in Canada before the due date for 1001876's first income tax return or if 1001876 does not otherwise satisfy the conditions in the ITA to be a "public corporation", the 1001876 Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a 1001876 Share in circumstances where the 1001876 Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of Auxellence, incorporated for the purpose of the Arrangement, 1001876 has a very limited history of operations and must be considered a start-up. As such, 1001876 is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that 1001876 will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

1001876 has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of 1001876's business. There can be no assurance that the 1001876 will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of 1001876's business.

Negative Cash Flow

1001876 has no history of earnings or cash flow from operations. 1001876 does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of 1001876's securities, including the 1001876 Shares, may be sold and there is no assurance that the 1001876 Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the 1001876 Shares are listed on a stock exchange, holders of the 1001876 Shares may not be able to sell their 1001876 Shares. Even if a listing is obtained, there can be no assurance that an active public market for the 1001876 Shares will develop or be sustained after completion of the Arrangement. The holding of 1001876 Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The 1001876 Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

1001876 does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from 1001876 will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of 1001876 and other factors.

Conflicts of Interest

The directors of 1001876 may be directors, officers or shareholders of other companies that are engaged in similar businesses to 1001876. Such associations may give rise to conflicts of interest from time to time. The directors of 1001876 are required by law to act honestly and in good faith with a view to the best interests of 1001876 and to disclose any interest which they may have in any project or opportunity of 1001876. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not 1001876 will participate in any project or opportunity, the directors will primarily consider the degree of risk to which 1001876 may be exposed and its financial position at the time.

INFORMATION CONCERNING 1001886 B.C. LTD.

Name, Address and Incorporation

1001886 was incorporated as "1001886 B.C. Ltd." pursuant to the Act on May 9, 2014 for the purposes of the Arrangement. 1001886 is currently a private company and a wholly-owned subsidiary of Auxellence 1001886's head

office is located at 2922 Mt Seymour Parkway, Vancouver, B.C., V7H 1E9 and its registered and records office is located at 5728 East Boulevard, Vancouver, British Columbia, V6M 4M4.

Prior to completion of the Arrangement, 1001886 will be a wholly-owned subsidiary of Auxellence. Upon completion of the Arrangement, 1001886 will be a reporting issuer in the provinces of British Columbia and Alberta. After the Effective Date, 1001886 will have no assets other than cash transferred to it pursuant to the Arrangement and the Hit LOI.

Description of Business of 1001886

Proposed Fight Court Acquisition

Hit is a private company incorporated under the *BCBCA* and is involved in the technology sector involving internet marketing and applications for its fight court website and software.

Auxellence has entered into a letter of intent with Fight Court whereby, subject to completion of the Arrangement, 1001886 will negotiate a definitive agreement with Fight Court for the Proposed Fight Court Acquisition. Should the Arrangement be completed, the Proposed Fight Court Acquisition will be subject to the execution by 1001886 of the definitive agreement. The terms and conditions of the definitive agreement have not been finalized and it is anticipated that the Proposed Fight Court Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

In addition to completion of the Arrangement and negotiation and execution of the definitive agreement with Fight Court, completion of the Proposed Fight Court Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001886 and Fight Court; and (ii) completion of satisfactory due diligence. It is anticipated that a definitive agreement will be entered into on or before June 30, 2014. Should the Plan of Arrangement be completed, but a definitive agreement not entered into, shareholders of Auxellence will have an interest in 1001886, an unlisted reporting issuer in British Columbia and Alberta with no assets other than cash. Auxellence and Fight Court are at arm's length.

Should the Proposed Fight Court Acquisition be completed as currently contemplated, it is anticipated that the Auxellence Shareholders will benefit as a result of their 100% interest in 1001886.

Pursuant to the Arrangement, Auxellence will transfer to 1001886 all of Auxellence's interest in the Fight Court LOI and \$1,000 in cash in exchange for 42,377,684 1001886 Shares multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 1001886 Shares, which shares will be distributed to the Auxellence Shareholders who hold Auxellence Shares on the Share Distribution Record Date. The \$1,000 coming from Auxellence as part of the Arrangement should provide 1001886 with the capital necessary to fulfill 1001886's short-term needs. Completion of the Arrangement is subject to the approval of the Arrangement by the Auxellence Shareholders, the Court and the Exchange.

Share Capital

The authorized capital of 1001886 consists of an unlimited number of common shares without par value. All 1001886 Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in 1001886's articles and the *BCBCA*.

Options to Purchase Shares

1001886 has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

1001886 has paid no dividends since its inception. At the present time, 1001886 intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of 1001886 and on such other factors as the board of directors of 1001886 may consider appropriate. However, since 1001886 is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of 1001886 Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Common Shares	Price per Share (\$)
May 9, 2014	1	\$0.01

Auditors and Registrar and Transfer Agent

The auditors for the Company will be HLB Cinnamon Jang Willoughby Chartered Accountants, Metro Tower II Suite 900-4720 Kingsway Burnaby, BC V5H 4N2

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

1001886 is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by 1001886 since its incorporation and which can be reasonably regarded as material to 1001886 are as follows:

1. Arrangement Agreement between Auxellence, 1001876, 1001875, 1001872, and 1001886 and the Auxellence Shareholders, dated May 12, 2014.

Risk Factors

An investment in a company such as 1001886 involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Fight Court Acquisition will be Completed as Contemplated or at all

Completion of the Proposed Fight Court Acquisition is subject to a number of conditions, including completion of the Arrangement and execution of a definitive agreement. Should the Arrangement fail to receive approval of the Auxellence Shareholders at the Meeting, 1001886 will remain as a wholly-owned subsidiary of Auxellence. Should the Arrangement be approved by the Auxellence Shareholders at the meeting, there is no assurance that the definitive agreement will be entered into, either on the terms set forth in the letter of intent with Fight Court, or at all. There is no assurance that the Proposed Hit Acquisition will be completed as contemplated or at all. In addition to completion of the Arrangement and negotiation and execution of the definitive agreement, completion of the Proposed Fight Court Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of 1001886 and Fight Court; and (ii) completion of satisfactory due diligence. There is no assurance that any or all of

these conditions will be satisfied or waived. In the event that the Arrangement is completed and the definitive agreement and/or Proposed Fight Court Acquisition are not consummated, 1001886 will remain as a reporting issuer in the provinces of Alberta and British Columbia and the 1001886 Shares will not be listed on any stock exchange. In such instance, 1001886 will effectively be a shell company with no assets other than a minimal amount of cash.

In the event that the Proposed Fight Court Acquisition is completed, 1001886 will be subject to the risks normally associated with technology companies. A more fulsome description of these risk factors is expected to be set forth in any disclosure document prepared in connection with the Proposed Fight Court Acquisition.

Requirements for Further Financing

1001886 presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and 1001886 proceeds with the Proposed Fight Court Acquisition, 1001886 will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that 1001886 will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause 1001886 to reduce or terminate its operations.

The 1001886 Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the 1001886 on any stock exchange will not be made on the Effective Date. While it is anticipated that 1001886 will enter into a definitive agreement with Fight Court, there is no assurance that the Proposed Hit Acquisition will be completed as contemplated or at all. As a result, there is no assurance when, or if, the 1001886 Shares will be listed on any stock exchange. If the 1001886 Shares are not listed on a designated stock exchange in Canada before the due date for 1001886's first income tax return or if 1001886 does not otherwise satisfy the conditions in the ITA to be a "public corporation", the 1001886 Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a 1001886 Share in circumstances where the 1001886 Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of Auxellence, incorporated for the purpose of the Arrangement, 1001886 has a very limited history of operations and must be considered a start-up. As such, 1001886 is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that 1001886 will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

1001886 has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of 1001886's business. There can be no assurance that the 1001886 will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of 1001886's business.

Negative Cash Flow

1001886 has no history of earnings or cash flow from operations. 1001886 does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of 1001886's securities, including the 1001886 Shares, may be sold and there is no assurance that the 1001886 Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the 1001886 Shares are listed on a stock exchange, holders of the 1001886 Shares may not be able to sell their 1001886 Shares. Even if a listing is obtained, there can be no assurance that an active public market for the 1001886 Shares will develop or be sustained after completion of the Arrangement. The holding of 1001886 Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The 1001886 Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

1001886 does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from 1001886 will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of 1001886 and other factors.

Conflicts of Interest

The directors of 1001886 may be directors, officers or shareholders of other companies that are engaged in similar businesses to 1001886. Such associations may give rise to conflicts of interest from time to time. The directors of 1001886 are required by law to act honestly and in good faith with a view to the best interests of 1001886 and to disclose any interest which they may have in any project or opportunity of 1001886. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not 1001886 will participate in any project or opportunity, the directors will primarily consider the degree of risk to which 1001886 may be exposed and its financial position at the time.

TRANSFER AGENT AND REGISTRAR

Auxellence's registrar and transfer agent is Computershare Trust Company of Canada, or their affiliated company Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

Prior to the Effective Date, 1001876, 1001875, 1001872 or 1001886 intend to appoint Computershare Trust Company of Canada / Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9 as their registrar and transfer agent.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company or 1001876, 1001875, 1001872 or 1001886 is or is likely to be a party or of which any of its properties are, or to the best of knowledge of management of the Company or 1001876, 1001875, 1001872 or 1001886 are, likely to be subject.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders of the Company may contact the Company to request copies of the Company's financial statements and management's discussion and analysis by sending a written request to 2922 Mt. Seymour Pkwy, North Vancouver, British Columbia, V7H 1E9, Attention: Chief Executive Officer. Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

Dated at Vancouver, British Columbia this 13th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Sydney Au"

**Sydney Au, Chief Executive Officer
& Director**

AUDITOR'S CONSENT

We have read the information circular of Auxellence Health Corporation (the "Company") dated May 15, 2014, with respect to, among other matters, the year ended June 30, 2013 audited consolidated financial statements. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned information circular of our report to the shareholders of the Company on the consolidated statements of financial position of the Company as at June 30, 2013 and 2012 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for each of the years in the two-year period ended June 30, 2013 and 2012. Our report is dated October 28, 2013.

"Cinnamon Jang Willoughby"

Chartered Accountants

Burnaby, BC
May 15, 2014

SCHEDULE “A”

RESOLUTIONS FOR THE SPECIAL MEETING OF AUXELLENCHE HEALTH CORPORATION

Capitalized words used in this Schedule “A” and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

I. To approve the Arrangement

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Arrangement Agreement dated May 12, 2014, between the Company, 1001876 B.C. Ltd., 1001875 B.C. Ltd. and 1001872 B.C. Ltd., and 1001886 B.C. Ltd., attached as Schedule “B” to the Circular, is hereby approved, ratified and affirmed;
2. the Arrangement under Division 5 of Part 9 of the Act, substantially as set forth in the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement, is hereby approved and authorized;
3. notwithstanding that this special resolution has been passed by the Auxellence Shareholders or that the Arrangement has received the approval of the Court, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of a certified copy of the court order approving the Arrangement with the Registrar without further approval of the Auxellence Shareholders; and
4. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

SCHEDULE “B”

THE ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 12th day of May, 2014.

AMONG:

AUXELLENC HEALTH CORPORATION, a corporation incorporated under the laws of the Province of British Columbia ("**Auxellence**")

- and -

1001876 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia ("**1001876**")

- and -

1001875 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia ("**1001875**")

- and –

1001872 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia ("**1001872**")

- and –

1001886 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia ("**1001886**")

(collectively, “the **Parties**”)

RECITALS

1. Auxellence has entered into an arrangement agreement, wherein it is contemplated that Auxellence will transfer its Assets (as such term is defined in this Agreement) to its wholly-owned subsidiaries 1001876, 1001875, 1001872, and 1001886;
2. The Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the Business Corporations Act (British Columbia); and
3. The Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

Article 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) “**1001876**” means 1001876 B.C. Ltd., a private company incorporated under the *BCBCA*;
- (b) “**1001876 Shareholder**” means a holder of 1001876 Shares;
- (c) “**1001876 Shares**” means the common shares without par value in the authorized share structure of 1001876, as constituted on the date of this Agreement;
- (d) “**1001875**” means 1001875 B.C. Ltd., a private company incorporated under the *BCBCA*;
- (e) “**1001875 Shareholder**” means a holder of 1001875 Shares;
- (f) “**1001875 Shares**” means the common shares without par value in the authorized share structure of 1001875, as constituted on the date of this Agreement;
- (g) “**1001872**” means 1001872 B.C. Ltd., a private company incorporated under the *BCBCA*;
- (h) “**1001872 Shareholder**” means a holder of 1001872 Shares;
- (i) “**1001872 Shares**” means the common shares without par value in the authorized share structure of 1001872, as constituted on the date of this Agreement;
- (j) “**1001886**” means 1001886 B.C. Ltd., a private company incorporated under the *BCBCA*;
- (k) “**1001886 Shareholder**” means a holder of 1001886 Shares;
- (l) “**1001886 Shares**” means the common shares without par value in the authorized share structure of 1001886, as constituted on the date of this Agreement;
- (m) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (n) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (o) “**Arrangement**” means the arrangement pursuant to Section 288 of the *BCBCA* set forth in the Plan of Arrangement;
- (p) “**Arrangement Provisions**” means Part 9, Division 5 of the *BCBCA*;
- (q) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the Auxellence Meeting;
- (r) “**Assets**” means the assets of Auxellence to be transferred to the Auxellence Subsidiaries pursuant to the Arrangement, as more particularly described in Schedule B attached hereto and forming part of this Agreement;
- (s) “**BCBCA**” means the Business Corporations Act, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (t) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (u) “**CSE**” means the Canadian Securities Exchange;

- (v) **"Computershare"** means Computershare Trust Company of Canada;
- (w) **"Court"** means the Supreme Court of British Columbia;
- (x) **"Dissenting Shareholder"** means a Auxellence Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Auxellence Shares in accordance with the Interim Order and the Plan of Arrangement;
- (y) **"Dissenting Shares"** means the Auxellence Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (z) **"Effective Date"** means the date the Arrangement becomes effective under the *BCBCA*;
- (aa) **"Final Order"** means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (bb) **"GAAP"** means generally accepted accounting principles in effect in Canada at the relevant time, including the accounting recommendations in the Handbook of the Canadian Institute of Chartered Accountants, including as applicable, International Financial Reporting Standards;
- (cc) **"Auxellence Class A Shares"** means the renamed and re-designated Auxellence Shares as described in §3.1 of the Plan of Arrangement;
- (dd) **"Auxellence Class A Preferred Shares"** means the Class "A" preferred shares without par value which Auxellence will create and issue pursuant to §3.1 of the Plan of Arrangement;
- (ee) **"Auxellence Meeting"** means the special meeting of the Auxellence Shareholders to be held on June 11, 2014, and any adjournment(s) or postponement(s) thereof;
- (ff) **"Auxellence Shares"** means the common shares without par value in the authorized share capital of Auxellence, as constituted on the date of this Agreement;
- (gg) **"Auxellence Shareholders"** means the holders from time to time of Auxellence Shares;
- (hh) **"Auxellence Subsidiaries"** means 1001876 B.C. Ltd., 1001875 B.C. Ltd., 1001872 B.C. Ltd., and 1001886 B.C. Ltd.;
- (ii) **"Information Circular"** means the management proxy circular of Auxellence to be sent by Auxellence to the Auxellence Shareholders in connection with the Auxellence Meeting;
- (jj) **"Interim Order"** means an interim order of the Court concerning the Arrangement in respect of Auxellence, containing declarations and directions with respect to the Arrangement and the holding of the Auxellence Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (kk) **"New Shares"** means the new class of common shares without par value which Auxellence will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Auxellence Shares;
- (ll) **"Notice of Meeting"** means the notice of special meeting of the Auxellence Shareholders in respect of the Auxellence Meeting;
- (mm) **"Parties"** means Auxellence, 1001876, 1001875, 1001872, and 1001886; and **"Party"** means any one of them;
- (nn) **"Person"** means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (oo) **"Plan of Arrangement"** means the plan of arrangement substantially in the form set out in **Schedule A** to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 7 hereof;

- (pp) **"Registrar"** means the Registrar of Companies for the Province of British Columbia duly appointed under the *BCBCA*;
- (qq) **"Registered Shareholder"** means a registered holder of Auxellence Shares as recorded in the shareholder register of Auxellence maintained by Computershare;
- (rr) **"Share Distribution Record Date"** means the close of business on the day which is four Business Days after the date of the Auxellence Meeting or such other date as determined by the Auxellence Board, which date establishes the Auxellence Shareholders who will be entitled to receive 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares pursuant to this Plan of Arrangement;
- (ss) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including Schedules A to E hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles and all determinations of an accounting nature are required to be made shall be made in a manner consistent with Canadian generally accepted accounting principles.

1.8 References to Legislation

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.9 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.10 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

A – Plan of Arrangement

B – Assets

Article 2 THE ARRANGEMENT

2.1 Plan of Arrangement

The Parties will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Auxellence Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, the Parties will forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the Auxellence Shareholders, the Parties shall jointly submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, Auxellence shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

2.2 Interim Order

The Interim Order shall provide that:

AUXELLENC

- (a) the securities of Auxellence for which holders shall be entitled to vote on the Arrangement Resolution shall be the Auxellence Shares;
- (b) the Auxellence Shareholders shall be entitled to vote on the Arrangement Resolution, with each Auxellence Shareholder being entitled to one vote for each Auxellence Share held by such holder;
- (c) the requisite majority for the approval of the Arrangement Resolution shall be:
 - (i) two-thirds of the votes cast by the Auxellence Shareholders present in person or by proxy at the Auxellence Meeting; and
 - (ii) and a majority of the votes cast by the Auxellence Shareholders, after excluding the votes cast by those persons whose votes must be excluded pursuant to Multilateral Instrument 61-101— Protection of Minority Security Holders in Special Transaction.

2.3 Information Circular and Meetings

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws:

- (a) Auxellence shall:
 - (i) prepare the Information Circular and cause such circular to be mailed to the Auxellence Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and
 - (ii) convene the Auxellence Meeting.

2.4 Effective Date

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

Article 3 COVENANTS

3.1 Covenants Regarding the Arrangement

From the date hereof until the Effective Date, the Parties will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

3.2 Covenants Regarding Execution of Documents

- (a) The Parties will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

3.3 Giving Effect to the Arrangement

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the Auxellence Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The 1001876 Shareholder(s), 1001875 Shareholder(s) 1001872 Shareholder(s) and 1001886 Shareholder(s) shall approve the Arrangement by a consent resolution;

- (c) Upon obtaining the Interim Order, Auxellence shall call the Auxellence Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the Auxellence Shareholders;
- (d) If the Auxellence Shareholders approve the Arrangement as set out in §3.3 hereof, Auxellence shall thereafter (subject to the exercise of any discretionary authority granted to Auxellence's directors by the Auxellence Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and
- (e) Upon receipt of the Final Order, Auxellence shall, subject to compliance with any of the other conditions provided for in Article 3.3 hereof and to the rights of termination contained in Article 7 hereof, file the material described in §5.1 with the Registrar in accordance with the terms of the Plan of Arrangement.

Article 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

Each of the Parties hereby represents and warrants to the other that.

- (a) It is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) It has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) Neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) No dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

Article 5

CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the Auxellence Shareholders at the Auxellence Meeting in accordance with the Arrangement Provisions, the constituting documents of Auxellence, the Interim Order and the requirements of any applicable regulatory authorities;

- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the 1001876 Shareholder(s), the 1001875 Shareholder(s), the 1001872 Shareholder(s) and the 1001886 Shareholder(s) to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of each of 1001876, 1001875, 1001872, and 1001886.
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (g) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by any of the Parties, as the case may be, at its discretion.

5.2 Closing

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of Auxellence, 2922 Mt. Seymour Pkwy, North Vancouver, British Columbia, at 10:00 a.m. (Vancouver time) on such date as they may mutually agree (the "Closing Date"), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

5.3 Merger of Conditions

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

5.4 Merger of Representations and Warranties

The representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

Article 6 AMENDMENT

6.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the Auxellence Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;

- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by an Auxellence Shareholder without approval by the Auxellence Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

Article 7 TERMINATION

7.1 Termination

Subject to §7.2, this Agreement may at any time before or after the holding of the Auxellence Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the board of directors of Auxellence without further action on the part of the Auxellence Shareholders, or by the respective board of directors of 1001876, 1001875, 1001872, and 1001886 without further action on the part of the respective 1001876 Shareholder(s), 1001875 Shareholder(s), 1001872 Shareholder(s) and 1001886 Shareholder(s), and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of Auxellence, 1001876, 1001875, 1001872, and 1001886, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

7.2 Cessation of Right

The right of any of the Parties or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

Article 8

NOTICES

8.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by electronic transmission, in each case to the attention of the senior officer at the following addresses or at such other address as shall be specified by a Party by like notice:

AUXELLENCHE HEALTH CORPORATION, addressed to:
2922 Mt. Seymour Pkwy
North Vancouver, British Columbia, V7H 1E9

Attention: Syd Au, Chief Executive Officer and Director
E-mail: sydau945@gmail.com

1001876 B.C. Ltd., addressed to:
2922 Mt. Seymour Pkwy

North Vancouver, British Columbia, V7H 1E9

Attention: Syd Au, Director

E-mail: sydau945@gmail.com

1001875 B.C. Ltd., addressed to:

2922 Mt. Seymour Pkwy

North Vancouver, British Columbia, V7H 1E9

Attention: Ron Ozols, Director

E-mail: ronozols@gmail.com

1001872 B.C. Ltd., addressed to:

2922 Mt. Seymour Pkwy

North Vancouver, British Columbia, V7H 1E9

Attention: Ron Ozols

E-mail: ronozols@gmail.com

1001886 B.C. Ltd., addressed to:

2922 Mt. Seymour Pkwy

North Vancouver, British Columbia, V7H 1E9

Attention: Syd Au, Director

E-mail: sydau945@gmail.com

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 5:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 5:00 p.m. or on a non-Business Day. Any notice delivered by facsimile transmission shall be deemed to be delivered on the date of transmission if delivered on a Business Day prior to 5:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 5:00 p.m. or on a non-Business Day.

Article 9 GENERAL

9.1 Assignment and Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties hereto.

9.2 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

9.3 Costs

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

9.4 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

9.5 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.6 Time of Essence

Time shall be of the essence of this Agreement.

9.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and

submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

9.8 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

9.9 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

AUXELLENCHE HEALTH CORPORATION

By: "Sydney Au"
Sydney Au, Director

1001876 B.C. LTD.

By: "Sydney Au"
Sydney Au, Director

1001875 B.C. LTD.

By: "Ron Ozols"
Ron Ozols, Director

1001872 B.C. LTD.

By: "Ron Ozols"
Ron Ozols, Director

1001886 B.C. LTD.

By: "Sydney Au"
Sydney Au, Director

SCHEDULE "A" TO THE ARRANGEMENT AGREEMENT
PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9
OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
S.B.C. 2002, c. 57

ARTICLE 2
INTERPRETATION

2.1 In this Plan of Arrangement, the following terms have the following meanings:

“**1001876**” means 1001876 B.C. Ltd., a private company incorporated under the *BCBCA*;

"1001876 Shareholder" means a holder of 1001876 Shares;

"1001876 Shares" means the common shares without par value in the authorized share structure of 1001876, as constituted on the date of this Agreement;

“**1001875**” means 1001875 B.C. Ltd., a private company incorporated under the *BCBCA*;

"1001875 Shareholder" means a holder of 1001875 Shares;

"1001875 Shares" means the common shares without par value in the authorized share structure of 1001875, as constituted on the date of this Agreement;

“**1001872**” means 1001872 B.C. Ltd., a private company incorporated under the *BCBCA*;

"1001872 Shareholder" means a holder of 1001872 Shares;

"1001872 Shares" means the common shares without par value in the authorized share structure of 1001872, as constituted on the date of this Agreement;

“**1001886**” means 1001886 B.C. Ltd., a private company incorporated under the *BCBCA*;

"1001886 Shareholder" means a holder of 1001886 Shares;

"1001886 Shares" means the common shares without par value in the authorized share structure of 1001886, as constituted on the date of this Agreement;

"Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the proposed arrangement involving Auxellence Shareholders, the 1001876 Shareholders, the 1001875 Shareholders, the 1001872 Shareholders and the 1001886 Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"Arrangement Agreement" means the arrangement agreement dated effective May 11, 2014, between the Parties with respect to the Arrangement, and all amendments thereto;

"Arrangement Provisions" means Division 5 of Part 9 of the *BCBCA*;

"Assets" means the assets of Auxellence described in Schedule B to the Arrangement Agreement;

“**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

“**Conversion Factor**” means the number arrived at by dividing the number of issued Auxellence Shares as of the close of business on the Share Distribution Record Date by up to 2,118,884,200 (or 42,377,684 x 50);

"**CSE**" means the Canadian Securities Exchange;

"**Court**" means the Supreme Court of British Columbia;

"**Depository**" means Computershare Trust Company of Canada;

"**Distributed 1001876 Shares**" means the 1001876 Shares that are to be distributed to the Auxellence Shareholders pursuant to §3.1;

"**Distributed 1001875 Shares**" means the 1001875 Shares that are to be distributed to the Auxellence Shareholders pursuant to §3.1;

"**Distributed 1001872 Shares**" means the 1001872 Shares that are to be distributed to the Auxellence Shareholders pursuant to §3.1;

"**Distributed 1001886 Shares**" means the 9922372 Shares that are to be distributed to the Auxellence Shareholders pursuant to §3.1;

"**Effective Date**" means the date the Arrangement becomes effective under the *BCBCA*;

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Information Circular**" means the management information circular to be sent to the Auxellence Shareholders in connection with the Auxellence Meeting;

"**Interim Order**" means the interim order of the Court concerning the Arrangement under the *BCBCA* in respect of the Parties, containing declarations and directions with respect to the Arrangement and the holding of the Meetings, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**New Shares**" means the new class of common shares without par value which Auxellence will create pursuant to §3.1 of this Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant aspect to the Auxellence Shares;

"**Parties**" means, collectively, Auxellence, 1001876, 1001875, 1001872, and 1001886, and "**Party**" means any one of them;

"**Plan**" or "**Plan of Arrangement**" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 7 of the Arrangement Agreement;

"**Registrar**" means the Registrar of Companies duly appointed under the *BCBCA*;

“**Share Distribution Record Date**” means the close of business on the day which is four Business Days after the date of the Auxellence Meeting or such other date as determined by the Auxellence Board, which date establishes the Auxellence Shareholders who will be entitled to receive 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares pursuant to this Plan of Arrangement;

“**Auxellence**” means Auxellence Health Corporation, a company existing under the *BCBCA*;

“**Auxellence Class A Shares**” means the renamed and re-designated Auxellence Shares, as described in §3.1 of this Plan of Arrangement;

“**Auxellence Class A Preferred Shares**” means the Class “A” preferred shares without par value which Auxellence will create and issue pursuant to §3.1 of this Plan of Arrangement;

"**Auxellence Meeting**" means the special meeting of Auxellence Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

"**Auxellence Shares**" means the common shares of Auxellence and "Auxellence Shareholder" means the holders from time to time of Auxellence Shares;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended; and

"**Transfer Agent**" means Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

- 2.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 2.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 2.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 2.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 2.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 3 ARRANGEMENT AGREEMENT

- 3.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 3.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the Auxellence Shareholders.

ARTICLE 4 ARRANGEMENT

- 4.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
 - (a) Auxellence will transfer the Assets to each of 1001876, 1001875, 1001872, and 1001886 in consideration for 42,377,684 shares from each of 1001876, 1001875, 1001872, and 1001886, in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886 in accordance with Section 3.1(e) (the "**Distributed 1001876 Shares**", the "**Distributed 1001875 Shares**", the "**Distributed 1001872 Shares**" and the "**Distributed 1001886 Shares**"), such Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares to be multiplied by the Conversion Factor so that Auxellence shall receive from each of 1001876, 1001875, 1001872, and 1001886, in consideration for the Assets, the number of shares equal to the issued and outstanding Auxellence Shares as of the Share Distribution Record Date after applying up to a 45 to 1 consolidation effect,

in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886. Thereafter, Auxellence will be added to the central securities register of each of 1001876, 1001875, 1001872, and 1001886 in respect of such 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares;

- (b) The authorized share capital of Auxellence will be changed by:
 - (i) Altering the identifying name of the Auxellence Shares to class “A” common shares without par value, being the Auxellence Class A Shares;
 - (ii) Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
 - (iii) Creating a class consisting of an unlimited number of class “A” preferred shares without par value, having the rights and restrictions described in Schedule “A” to the Plan of Arrangement, being the Auxellence Class A Preferred Shares;
- (c) Each issued Auxellence Class A Share will be exchanged for one New Share and one Auxellence Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Auxellence Class A Shares will be removed from the central securities register of Auxellence and will be added to the central securities register as the holders of the number of New Shares and Auxellence Class A Preferred Shares that they have received on the exchange;
- (d) All of the issued Auxellence Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Auxellence and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Auxellence Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Auxellence Class A Preferred Shares so that the aggregate paid up capital of the Auxellence Class A Preferred Shares is equal to the aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares as of the Effective Date, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, and each Auxellence Class A Preferred Share so issued will be issued by Auxellence at an issue price equal to the aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares as of the Effective Date, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, divided by the number of issued Auxellence Class A Preferred Shares, such aggregate fair market value of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, to be determined as at the Effective Date by resolution of the board of directors of Auxellence;
- (e) Auxellence will redeem the issued Auxellence Class A Preferred Shares for consideration consisting solely of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares such that each holder of Auxellence Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of 1001876 Shares, 1001875 Shares, 1001872 Shares and 1001886 Shares that is equal to the number of Auxellence Class A Preferred Shares held by such holder multiplied by the Conversion Factor, in addition to each Auxellence Shareholder receiving 500 common shares from each of 1001876, 1001875, 1001872, and 1001886;
- (f) The name of each holder of Auxellence Class A Preferred Shares will be removed as such from the central securities register of Auxellence, and all of the issued Auxellence Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Auxellence;

- (g) The Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares transferred to the holders of the Auxellence Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of Auxellence Class A Preferred Shares and appropriate entries will be made in the central securities registers of each of 1001876, 1001875, 1001872, and 1001886;
 - (h) The Auxellence Class A Shares and the Auxellence Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of Auxellence will be changed by eliminating the Auxellence Class A Shares and the Auxellence Class A Preferred Shares therefrom; and
 - (i) The Notice of Articles and Articles of Auxellence will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
- 4.2 Notwithstanding §3.1(e) and §3.1(j), no fractional 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares shall be distributed to the Auxellence Shareholders, as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Auxellence in its absolute discretion.
- 4.3 The holders of the Auxellence Class A Shares and the holders of New Shares and Auxellence Class A Preferred Shares referred to in §3.1(c), and the holders of the Auxellence Class A Preferred Shares referred to in §3.1(e), §3.1(f) and §3.1(g), shall mean in all cases those persons who are Auxellence Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
- 4.4 In addition to the chronological order in which the transactions and events set out in §3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the Auxellence Class A Preferred Shares set out in §3.1(e) shall occur and shall be deemed to occur immediately after Auxellence has obtained conditional approval to list its New Shares on the CSE on the Effective Date.
- 4.5 All New Shares, Auxellence Class A Preferred Shares, and 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the *BCBCA*.
- 4.6 The Arrangement shall become final and conclusively binding on the Auxellence Shareholders, the 1001876 Shareholders, the 1001875 Shareholders, the 1001872 Shareholders, the 1001886 Shareholders and the Parties on the Effective Date.
- 4.7 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

ARTICLE 5 CERTIFICATES

- 5.1 Recognizing that the Auxellence Shares shall be redeemed and re-designated as Auxellence Class A Shares pursuant to §3.1(b)(i) and that the Auxellence Class A Shares shall be exchanged partially for New Shares pursuant to §3.1(c), Auxellence shall not issue replacement share certificates representing the Auxellence Class A Shares.
- 5.2 Recognizing that the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares shall be transferred to the Auxellence Shareholders as consideration for the redemption of the Auxellence Class A Preferred Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, pursuant to §3.1(e), each of 1001876, 1001875, 1001872, and 1001886 shall issue one share certificate representing all of the respective Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares registered in the name of Auxellence, which share certificate shall be held by the Depositary until the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, are transferred to the Auxellence Shareholders and such certificate shall then be cancelled by the Depositary. To facilitate the transfer of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, to the Auxellence Shareholders as of the Share Distribution Record Date, Auxellence shall execute and deliver to the Depositary and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, to such Auxellence Shareholders in accordance with the terms of this Plan of Arrangement and each of 1001876, 1001875, 1001872, and 1001886 shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 5.3 Recognizing that all of the Auxellence Class A Preferred Shares issued to the Auxellence Shareholders pursuant to §3.1(c) will be redeemed by Auxellence as consideration for the distribution and transfer of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder under §3.1(e), Auxellence shall issue one share certificate representing all of the Auxellence Class A Preferred Shares issued pursuant to §3.1(e) in the name of the Depositary, to be held by the Depositary for the benefit of the Auxellence Shareholders until such Auxellence Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 5.4 As soon as practicable after the Effective Date, each of 1001876, 1001875, 1001872, and 1001886 shall cause to be issued to the registered holders of Auxellence Shares as of the Share Distribution Record Date, share certificates representing the respective 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates to be mailed to such registered holders.
- 5.5 From and after the Effective Date, share certificates representing Auxellence Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 5.6 Auxellence Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares, and shall not carry any right to receive a portion of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder.

ARTICLE 6 DISSENTING SHAREHOLDERS

- 6.1 Notwithstanding §3.1 hereof, holders of Auxellence Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 – 247 of the *BCBCA* (collectively, the “**Dissent Procedures**”).
- 6.2 Auxellence Shareholders who duly exercise Dissent Rights with respect to their Auxellence Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to Auxellence for cancellation immediately before the Effective Date; or
 - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Auxellence Shareholder and shall receive New Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares on the same basis as every other non-dissenting Auxellence Shareholder, and in no case shall Auxellence be required to recognize such person as holding Auxellence Shares on or after the Effective Date.
- 6.3 If an Auxellence Shareholder exercises the Dissent Right Auxellence shall on the Effective Date set aside and not distribute that portion of the Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder, that is attributable to the Auxellence Shares for which the Dissent Right has been exercised. If the dissenting Auxellence Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Auxellence shall distribute to such Auxellence Shareholder his, her or its pro-rata portion of the respective Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares, including the 500 common shares of 1001876, 1001875, 1001872, and 1001886 to be issued to each Auxellence Shareholder. If an Auxellence Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Auxellence shall retain the portion of Distributed 1001876 Shares, Distributed 1001875 Shares, Distributed 1001872 Shares and Distributed 1001886 Shares attributable to such Auxellence Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of Auxellence in its absolute discretion.

ARTICLE 7 AMENDMENTS

- 7.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (i) set out in writing;
 - (ii) filed with the Court and, if made following the Auxellence Meeting, approved by the Court; and
 - (iii) communicated to holders of Auxellence Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares, as the case may be, if and as required by the Court.
- 7.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Auxellence at any time prior to the Auxellence Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Auxellence Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 7.3 Auxellence, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Auxellence Meeting and prior to the Effective Date with the approval of the Court.
- 7.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of Auxellence Shares, 1001876 Shares, 1001875 Shares, 1001872 Shares or 1001886 Shares, as the case may be.

ARTICLE 7
REFERENCE DATE

- 7.1 This plan of arrangement is dated for reference the 11th day of May, 2014.

SCHEDULE "A" TO THE PLAN OF ARRANGEMENT

SPECIAL RIGHTS AND RESTRICTIONS FOR CLASS A PREFERRED SHARES

The class A preferred shares as a class shall have attached to them the following special rights and restrictions:

Definitions

(1) **In these Special Rights and Restrictions,**

- (a) **"Arrangement"** means the arrangement pursuant to Division 5 of Part 9 of the Business Corporations Act (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
 - (b) **"Arrangement Agreement"** means the Arrangement Agreement dated as of May 11, 2014 between Auxellence Health Corporation (the **"Company"**), 1001876 B.C. Ltd., 1001875 B.C. Ltd., 1001872 B.C. Ltd., 1001886 B.C. Ltd.,
 - (c) **"Old Common Shares"** means the common shares in the authorized share structure of the Company that have been re-designated as class A common shares without par value pursuant to the Plan of Arrangement,
 - (d) **"Effective Date"** means the date upon which the Arrangement becomes effective,
 - (e) **"New Shares"** means the common shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
 - (f) **"Plan of Arrangement"** means the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement.
- (2) The holders of the class A preferred shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A preferred shares shall only be issued on the exchange of Old Common Shares for New Shares and class A preferred shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the class A preferred shares shall be the amount determined in accordance with §3.1(d) of the Plan of Arrangement.
- (5) The class A preferred shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any class A preferred share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

SCHEDULE "B"

AUXELLENCES ASSETS TO BE TRANSFERRED TO 1001876 B.C. LTD.

A Letter of Intent dated as of May 12, 2014 between Auxellence Health Corporation and Frack Water, and \$1,000 cash.

AUXELLENCES ASSETS TO BE TRANSFERRED TO 1001875 B.C. LTD.

A Letter of Intent dated as of May 12, 2014 between Auxellence Health Corporation and Juan De Fuca and \$1,000 cash.

AUXELLENCES ASSETS TO BE TRANSFERRED TO 1001872 B.C. LTD.

A Letter of Intent dated as of April 17, 2014 between Auxellence Health Corporation and Hit, and \$1,000 cash.

AUXELLENCES ASSETS TO BE TRANSFERRED TO 1001886 B.C. LTD.

A Letter of Intent dated as of May 12, 2014 between Auxellence Health Corporation and Fight Court, and \$1,000 cash.

SCHEDULE “C”

INTERIM ORDER

Form 35 (Rules 8-4 (1), 13-1 (3) and 17-1 (2) and 25-9 (2))

No. S-143669

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 to 299 of the *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C. 57, as
AMENDED

- AND -

IN THE MATTER OF THE PROPOSED ARRANGEMENT AMONG AUXELLENCHE HEALTH
CORPORATION, 1001876 BC LTD., 1001875 BC LTD., 1001872 BC LTD. AND 1001886 BC LTD.
(collectively, the “Companies”) and THE SHAREHOLDERS OF AUXELLENCHE HEALTH CORPORATION

AUXELLENCHE HEALTH CORPORATION

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

)	THE HONOURABLE _____)
BEFORE	}		} May 13, 2014
))

ON THE APPLICATION of the Petitioner, Auxellence Health Corporation (“**Auxellence**”), WITHOUT NOTICE, coming on for hearing at Vancouver, British Columbia on the 13th day of May, 2014, AND ON HEARING counsel for the Petitioner, AND UPON READING the Affidavit #1 of Sydney Au (the “**Sydney Au Affidavit**”) sworn on the 12th day of May, 2014 and filed on May 13, 2014, seeking an interim order (the “**Interim Order**”) for direction of the

Court in connection with a proposed arrangement pursuant to Sections 288 and 291 of the *Business Corporations Act* (British Columbia), S.B.C., 2002 c. 57 as amended (the "**BCBCA**").

THIS COURT ORDERS that:

THE MEETING

- A. Auxellence is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the common shareholders of Auxellence (the "**Auxellence Shareholders**") to be held at 10:00 a.m. on June 11, 2014 at Spanish Banks boardroom at 510 Burrard Street Vancouver, B.C., or such other location in Vancouver, British Columbia to be determined by Auxellence.
- B. At the Meeting, Auxellence Shareholders will, *inter alia*, consider, and if deemed advisable, approve, with or without variation, a special resolution (the "**Arrangement Resolution**") adopting, with or without amendment, the arrangement (the "**Arrangement**") involving Auxellence, Auxellence Shareholders, 1001876 BC LTD., 1001875 BC LTD., 1001872 BC LTD. AND 1001886 BC LTD. as set forth more particularly in the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit "B" to the Affidavit #1 of Sydney Au sworn May 12, 2014 (the "**Affidavit**") and filed herein.
- C. The Meeting will be called, held and conducted in accordance with the Notice of Special Meeting to be delivered to the Auxellence Shareholders in substantially the form attached to and forming part of the Management Information Circular attached as Exhibit "A" to the Affidavit (the "**Circular**"), and in accordance with applicable provisions of the BCBCA, the Articles of Auxellence, the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418, as amended (the "**Securities Act**"), and related rules and policies, the terms of this Order (the "**Interim Order**") and any further Order of this Court, the rulings and directions of the Chairman of the Meeting, and, to the extent of any inconsistency or discrepancy between the Interim Order and the terms of any of the foregoing, the Interim Order will govern.
- D. At the Meeting, Auxellence may also transact such other business as is contemplated by the Circular, or as otherwise may be properly brought before the Meeting.

RECORD DATE FOR NOTICE

- E. The record date for determination of the Auxellence Shareholders entitled to receive the notice of, attend and vote at the Meeting, the Circular and a form of proxy (the "**Meeting Materials**") shall be the close of business (Vancouver time) on May 2, 2014 (the "**Record Date**") or such other date as the directors of Auxellence may determine in accordance with the Articles of Auxellence, the BCBCA and the Securities Act, and disclosed in the Meeting Materials.

NOTICE OF MEETING

- F. The Meeting Materials, with such amendments or additional documents as counsel for Auxellence may advise are necessary or desirable, and that are not inconsistent with the terms of this Interim Order, and a copy of this Interim Order, will be sent at least twenty-one (21) days prior to the date of the Meeting, to: (a) Auxellence Shareholders who are registered shareholders on the Record Date and to brokerage intermediaries on behalf of beneficial Auxellence Shareholders where applicable, by prepaid ordinary mail addressed to each registered Auxellence Shareholder at his, her or its address as maintained by the registrar and transfer agent of Auxellence or delivery of same by courier service or by facsimile transmission or e-mail transmission to any such Auxellence Shareholder who identifies himself, herself or itself to the satisfaction of Auxellence and who requests such courier, facsimile or e-mail transmission; (b) the directors and auditors of Auxellence by prepaid ordinary mail, facsimile or e-mail transmission; and (c) the distribution of the Meeting Materials to non-registered Auxellence Shareholders shall be made by Auxellence complying with its obligations under National Instrument 54-101 of the Canadian Securities Administrators.
- G. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Auxellence shall not be required to send to the Auxellence Shareholders any other or

additional statement pursuant to section 290(1)(a) of the *BCBCA*.

- H. Provided that notice of the Meeting and the provision of the Meeting Materials to the Auxellence Shareholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the *BCBCA* to include certain disclosure in any advertisement of the Meeting is waived.
- I. The accidental failure or omission by Auxellence to give notice of the Meeting or the Petition to any person in accordance with this Interim Order, as a result of mistake or of events beyond the reasonable control of Auxellence (including, without limitation, any inability to utilize postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such accidental failure or omission is brought to the attention of Auxellence, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances. Such rectified notice shall be deemed to be good and sufficient notice of the Meeting and/or this Petition, as the case may be.
- J. The Circular shall have the Notice of Hearing of Petition (the “**Notice of Hearing of Petition**”) and this Interim Order attached as schedules thereto.
- K. The distribution of the Meeting Materials pursuant to paragraph F of this Interim Order shall constitute good and sufficient notice of the Meeting to registered and non-registered Auxellence Shareholders, to the directors of Auxellence and to the auditors of Auxellence.
- L. Auxellence is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials (“**Additional Information**”) in accordance with the terms of the Arrangement, as Auxellence may determine to be necessary or desirable and notice of such Additional Information may be communicated to Auxellence Shareholders by news release, newspaper advertisement or one of the methods by which the Meeting Materials will be distributed.

DEEMED RECEIPT OF MEETING MATERIALS AND SERVICE OF PETITION

- M. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been received by the Auxellence Shareholders:
 - a. In the case of mailing to registered Auxellence Shareholders or, in the case of delivery by courier of materials to brokerage intermediaries, the business day after delivery thereof to the post office or acceptance by the courier service, respectively; and
 - b. In the case of delivery by courier, facsimile transmission or e-mail transmission directly to a registered Auxellence Shareholder, the business day after such delivery or transmission of same.
- N. Subject to other provisions of this Interim Order, no other form of service or delivery of the Notice of Hearing and the Meeting Materials or any portion thereof need be made, or notice given, or other material served in respect of the Meeting to any persons described in paragraph E of this Interim Order or to any other persons.
- O. Computershare Trust Company of Canada (the “**Registrar and Transfer Agent**”) will provide Auxellence with confirmation of mailing out the Meeting Materials.

PERMITTED ATTENDEES

- P. The persons entitled to attend the Meeting will be Auxellence Shareholders of record as of the close of business (Vancouver time) on the Record Date, their respective proxies, the officers, directors and advisors of Auxellence and such other persons who receive the consent of the Chairman of the Meeting to attend.

VOTING AT THE MEETING

- Q. The only persons permitted to vote at the Meeting will be the registered Auxellence Shareholders as of the close of business (Vancouver time) on the Record Date or their valid proxy holders as described in the Circular and as determined by the Chairman of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Auxellence.
- R. The requisite approval of the Arrangement Resolution will be two-thirds (66.67%) of the votes cast on the resolution by the Auxellence Shareholders present in person or by proxy at the Meeting. Each common share of Auxellence voted will carry one vote.
- S. A quorum for the Meeting will be the quorum required by the Articles of Auxellence.
- T. In all other respects, the terms, restrictions and conditions of the constating documents of Auxellence will apply in respect of the Meeting.
- U. For the purposes of the Meeting, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

ADJOURNMENT OF MEETING

- V. Notwithstanding any provision of the *BCBCA* or the Articles of Auxellence, the board of directors of Auxellence shall be entitled if it deems advisable, to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any votes of the Auxellence Shareholders respecting the adjournment or postponement and without the need for approval of the Court.
- W. The record date for Auxellence Shareholders entitled to notice of and to vote at the Meeting will not change in respect of adjournments or postponements of the Meeting.
- X. Notice of any such adjournments or postponements shall be given by such method as Auxellence may determine is appropriate in the circumstances, including by news release, newspaper advertisement, or by one of the methods by which the Meeting Materials will be distributed.

AMENDMENTS

- Y. Auxellence is authorized to make such amendments, revisions or supplements to the Arrangement and the Plan of Arrangement as it may determine, provided it has obtained any required consents, and the Arrangement and the Plan of Arrangement as so amended, revised or supplemented will be the Arrangement or the Plan of Arrangement which is submitted to the Meeting and which will thereby become the subject of the Arrangement Resolution.

SCRUTINEER

- Z. A representative of Auxellence's registrar and transfer agent (or any agent thereof) (the "**Scrutineer**") will be authorized to act as scrutineer for the Meeting.

PROXY SOLICITATION

- AA. Auxellence is authorized to permit the Auxellence Shareholders to vote by proxy using the form of proxy, to be attached to the Circular. Auxellence is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communications as it may determine.
- BB. The procedure for delivery, revocation, and use of proxies at the Meeting shall be as set out in the Meeting Materials.
- CC. Auxellence may in its discretion waive the time limits for deposit of proxies by Auxellence Shareholders if Auxellence deems it reasonable to do so.

DISSENT RIGHTS

- DD. The Auxellence Shareholders will, as set out in the Plan of Arrangement, be permitted to dissent from the Arrangement Resolution in accordance with the dissent procedures set forth in Division 2 of Part 8 of the BCBCA, strictly applied and as may be modified by the Interim Order as provided for in the Plan of Arrangement, the full text which is set forth in Schedule "D" to the Circular, which is attached as Exhibit "A" to the Affidavit.
- EE. A dissenting Auxellence Shareholder must send a written objection to the Arrangement Resolution (the "**Notice of Dissent**") to:

Auxellence Health Corporation
2922 Mt. Seymour Pkwy
North Vancouver, B.C., V7H 1E9

by 4:30 p.m. (Vancouver time) on the second to last Business Day immediately preceding the date of the Meeting or, in case of adjournment or postponement, no later than 4:30 p.m. (Vancouver time) on the day that is two business days before the reconvened Meeting.

SERVICE OF COURT MATERIALS

- FF. Auxellence will include in the Meeting Materials a copy of this Interim Order and the Notice of Hearing of Petition and will make available to any Auxellence Shareholder requesting same, a copy of each of the Petition herein and the accompanying Affidavit (collectively, the "**Court Materials**"). The service of the Petition and Affidavit in support of the within proceedings to any Auxellence Shareholder requesting same is hereby dispensed with.

GG. Delivery of the Court Materials given in accordance with this Interim Order will constitute good, sufficient and timely service of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material need to be served on such persons in respect of these proceedings.

FINAL APPROVAL HEARING

HH. Upon the approval by the Auxellence Shareholders of the Arrangement in the manner set forth in this Interim Order, Auxellence may apply for an order of this Honourable Court approving the Plan of Arrangement (the "**Final Order**") pursuant to section 291(4)(a) of the *BCBCA* and declaring that the terms and conditions of the Arrangement are substantively and procedurally fair with respect to the Auxellence Shareholders pursuant to section 291(4)(c) of the *BCBCA* and that the Petition be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. on June 13, 2014 or such later date as counsel for Auxellence may be heard.

II. The consideration by this Court of the fairness of the Arrangement and the requisite Court final approval of the Arrangement will constitute the basis for a claim of exemption by the Company under section 3(a)(10) of the *U.S. Securities Act of 1933*, as amended.

JJ. The Court shall consider at the hearing for the Final Order, the fairness of the terms and conditions of the Arrangement, as provided for in the Arrangement, and the rights and interest of every person affected thereby.

KK. Any Auxellence Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any Auxellence Shareholder seeking to appear at the hearing of the application for the Final Order shall:

- a. File a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and
- b. serve the filed Response to Petition on the Petitioner, by or before 9:45 a.m. (Vancouver time) on June 12, 2014.

LL. If the application for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned hearing date.

MM. Part 8 and 16 of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

VARIANCE

NN. Auxellence is at liberty to apply to this Honourable Court to vary this Interim Order and for advice and direction with respect to the Plan of Arrangement or any of the matters related to this Interim Order and such further and other relief as this Honourable Court may consider just.

BY THE COURT

REGISTRAR

APPROVED AS TO FORM:

Kevin A. McLean, B.A., J.D., CIM

Barrister and Solicitor

McLean, Lo & Company

DISSENT PROCEDURES

Pursuant to the Interim Order, Shareholders have the right to dissent to the Arrangement. Such right of dissent is described in the Circular. See "Rights of Dissent" for details of the right to dissent and the procedure for compliance with the right of dissent. The full text of Sections 237 to 247 of the BCA is set forth below. Note that certain provisions of Sections 237 to 247 have been modified by the Interim Order.

SECTIONS 237 TO 247 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution; (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
- (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
 - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the

shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or

- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
 - (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares. (3)

After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder

who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so

or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.