

**EARLY WARNING REPORT**  
**FILED PURSUANT TO**  
**NATIONAL INSTRUMENT 62-103**

**1. Name and Address of Offeror:**

Sydney Au, an individual with a business address of #168-11280 Twigg Place, Richmond, BC, V6V 0A6 (the "**Offeror**").

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

Mr. Au purchased, pursuant to a debt settlement, and subsequent private placement subscription agreement dated September 2<sup>nd</sup>, 2014 (the "**Subscription Agreement**"), directly from Auxellence Health Corporation (the "**Company**") an aggregate of 2,680,000 units (the "**Units**") of the Company by way of a non-brokered private placement (the "**Private Placement**") at a price of Cdn\$0.05 per Unit, for gross proceeds to the Company of Cdn\$134,000. Each Unit comprises of one (1) common share (each, a "**Unit Share**") and one (1) common share purchase warrant (each, a "**Warrant**") of the Company. Each Warrant will entitle the holder thereof to purchase one (1) common share (each, a "**Warrant Share**") of the Company at a price of Cdn.\$0.10 per Warrant Share at any time on or prior to the date that is five years following September 2<sup>nd</sup>, 2014 (the "**Closing Date**"), the date of closing the Private Placement.

As a result, as of the date of this report, Mr. Au is deemed the beneficial owner of the 2,680,000 Warrant Shares issuable on exercise of the Warrants acquired under the Private Placement (the "**Deemed Ownership Shares**"), even though the Deemed Ownership Shares are currently unissued, under applicable securities laws.

The 5,360,000 common shares (including the Deemed Ownership Shares) acquired by Mr. Au under the Private Placement represent approximately 4.17% of the 128,380,884 issued and outstanding common shares of the Company following the closing of the Private Placement (and assuming conversion of all of the Deemed Ownership Shares).

A news release in connection with the foregoing was issued by the Offeror on September 19<sup>th</sup>, 2014 and filed with Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

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

Following the closing of the Private Placement, Mr. Au beneficially owns 25,880,000 common shares of the Company (excluding the Deemed Ownership Shares and including any shares that have optioned to third party investors that remain unexercised), representing approximately 24.56% of the Company's issued and outstanding common shares representing 105,379,284.

If the Deemed Ownership Shares are included, following the closing of the Private Placement, Mr. Au would beneficially own 28,560,000 common shares of the Company, representing approximately 22.25% of the Company's then fully diluted issued and outstanding common shares representing 128,380,884.

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

- (i) **the Offeror, either alone or together with any joint actors, has ownership and control;**

See Item 3 above.

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

Not applicable.

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

Not applicable.

**5. Name of the market in which the transaction or occurrence that gave rise to the report took place:**

Not applicable.

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

Cdn \$0.05 per Unit pursuant to the Private Placement .

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

Mr. Au acquired the 2,680,000 Units pursuant to the Private Placement for investment purposes. Depending on economic or market conditions or matters relating to the Company, Mr. Au may choose to either acquire additional common shares or dispose of common shares of the Company.

**8. General nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in**

**connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

**9. Names of any joint actors in connection with the disclosure required by this report:**

Not applicable.

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

Mr. Au purchased the 2,680,000 Units pursuant to the Private Placement from treasury. The aggregate purchase price for the 2,680,000 Units was Cdn.\$134,000 (representing a price of Cdn.\$0.05 per Unit).

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

Not applicable.

**12. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance:**

The 2,680,000 Units acquired pursuant to the Private Placement were acquired in reliance upon the shares for debt exemption under section 2.14 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Dated this 19th day of September, 2014.

/s/ Sydney Au  
Sydney Au