

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

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

Radu Leca, (the Beneficial Securityholder) an individual with a business address at 4711 Yonge Street, Suite 1103, Toronto, On, M2N 6K8 (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:**

A corporation controlled by the Beneficial Securityholder had \$827,681 of debt owed, was resolved by Auxellence Health Corporation (the "Company") by issuing a debt note with a right to convert the debt and interest into \$.05 Units of the Company. Each Unit is comprised of one common share and one common share purchase warrant at \$0.10. As a result the principal amount (not including interest) of the debt is convertible into 16,553,620 common shares and 16,553,620 common share purchase warrants representing 33,107,240 common shares of the Company as per the Company's press release on February 25<sup>th</sup>, 2016.

As of February 29, 2016, the 40,000,000 common shares currently owned by the Beneficial Shareholder represented approximately 37.72% out of 106,054,284 currently issued and outstanding common shares of the Company and represents approximately 31.16% of the 128,380,884 fully diluted issued and common shares of the Company.

A news release in connection with the foregoing was issued by the Offeror on February 29<sup>th</sup>, 2016 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:**

The Beneficial Securityholder's shareholdings in the Company are 40,000,000 common shares as of the date of this report. The Beneficial Securityholder also controls the corporation which holds the convertible debt that is convertible into 16,553,620 Units of the Company (representing a total of 16,553,620 common shares and 16,553,620 common share purchase warrants for a total of 33,107,240 common shares of the Company).

**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:**

Deemed price of Cdn \$0.05 per Unit if the debt is converted into Units, Warrants or Shares of the Company.

**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:**

The Beneficial Securityholder controls a Corporation that had a debt with the company. As part of a resolution to the debt the Beneficial Securityholder's Corporation continuing to hold the debt, it accepted a convertible feature to convert the principle and interest into Units of the Company. Depending on economic or market conditions or matters relating to the Company, Beneficial Securityholder may choose to either convert the debt into Units, Warrants, or Shares of the Company or may settle the debt for cash, or may 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:**

Resolution of Debt owed to the Company. See item 2 and 3 above.

**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:**

The Beneficial Securityholder controls a Corporation which was owed a debt of \$827,681. A convertibility features was provided to the debt and any interest associated with this debt. If the Beneficial Securityholder elects to convert the debt into securities the deemed price per Unit is 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 Units, Shares or Warrants, should the Creditor exercise the convertibility feature to acquire securities in the company will rely upon section 2.14 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Dated this 29<sup>th</sup>, day of February, 2016.

/s/ Radu Leca

Radu Leca