

**FORM 7**

**MONTHLY PROGRESS REPORT**

**September 2017**

|  |   |
|--|---|
| Name of CSE Issuer                     | EVITRADE Health Systems Corp.<br>(formerly, Auxellence Health Corporation),<br>(the "Issuer") |
| Trading Symbol                         | EVA   |
| Number of Issued Listed Securities     | 15,390,265  |
| Number of Issued Outstanding Options   | Nil   |
| Number of Shares Reserved for Issuance | 1,608,440 (from Warrants)   |
| Number of Units Reserved for Issuance  | 1,400,000 (from Secured Credit Loan)  |
| Number of Units Reserved for Issuance  | 1,103,575 (from Debt Settlement)  |
| Date                                   | October 5, 2017   |

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CSE Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the theCSE.com website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CSE Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer has effectively finalized all the details of the Plan of Arrangement from 2014 and is now awaiting confirmation from the companies that have been spun out to complete the share push outs as of the share record date.

The Issuer continues to communicate with a number of private venture capital firms, investment management, banks and brokerage firms for updates on the company for a possible financing.

The Issuer announced that its operator issued a Notice of Default and Demand for Payment for all amounts in arrears. The Issuer announced a private placement on February 22<sup>nd</sup>, 2016. On February 23<sup>rd</sup>, the Issuer announced that the Chairman arranged a \$1.05 Million secured convertible credit facility and that the financing was still open for expressions of interest until March 7<sup>th</sup>, 2016. On February 25<sup>th</sup>, 2016, the Issuer resolved the outstanding default issues and amounts with the operator in part by having the operator hold a debt with a convertibility feature of converting any amount of principle and/or interest at the terms of the current financing. The issuer closed a portion of the financing by issuing 1,300,000 units on March 16<sup>th</sup>, 2016. The issuer closed on a 2<sup>nd</sup> portion of the financing by issuing 2,000,000 units on April 7, 2017. The issuer announced an upgrade and release to its TULIP™ Health System in preparation of 2<sup>nd</sup> stage commercial pilot and marketing studies. In June the company announced the start of the Doctors Supervised Study (2<sup>nd</sup> stage of the Pilot trials) in addition to a sponsored research program with a major university for autonomous medical opportunities using the TULIP(TM) system. Management has been negotiating with various parties for possible sales and distribution arrangements with various parties and has signed a MOU with a Hong Kong marketing group for sales into China. Mr. York Lau was added as an advisor to the board in August 2016. Mr. C.K. Cheung was added as an advisor to the Board in the month of September 2016. The company underwent a re-branding and effected a name change to EVITRADE Health Systems Corp., a 15:1 share consolidation, and announced a minimum \$500K to a maximum \$1 million dollar private placement of which details were press released on October 3, 2016 for shares or convertible debt at \$2.50 per common share (no warrants were attached). The company provided an update on October 11<sup>th</sup>, that the Clinical studies were progressing satisfactory and site set-up was completed. Testing of the TULIP™ in Asia began October 13<sup>th</sup> and a purchase order for 500 systems was received by October 22<sup>nd</sup> for further testing. In addition, it was announced the advisor, Mr. C.K. Cheung was invited to join the board in October 2016 and was announced to become president of one of the company's subsidiary companies on November 11, 2016. The company announced the record date of November 15<sup>th</sup>, 2016 for the Annual General and Special Meeting to be held January 13, 2017 and the record date for shareholders to receive any share distributions for any dividend shares or for any divested subsidiary companies to be December 15, 2016. On November 16<sup>th</sup>, 2016 the issuer signed two MOUs: MOU#1 to acquire the "Voice of Heart" Electronic Healthcare Platform and MOU#2 to acquire hemp and cannabis assets, which includes a growing licence to grow cannabis on 50 hectares in Europe. Both transactions are pending satisfactory due diligence. On November 25<sup>th</sup>, 2016 the company announced the cancellation of the \$1 million financing at \$2.50 and the cancellation of 75,000 options to directors and to consultants to the company. The company has announced a change or adjournment of the Annual General and Special Meeting (AGSM) date to February 6, 2017, and a change of record date for the notice of meeting and record date for shareholders to vote at the AGSM to January 6, 2017. The company signed a new LOI to merge with a company for plant oils and CBD oil extraction with its wholly owned subsidiary C&C Cosmeceuticals Corp. The company's directors and officers voluntarily cancelled all their options and confirmed via press release that all consultants options had also expired with no options of the company outstanding as of February 24, 2017. In addition the company received a \$250,000 loan from the CBD plant oils extraction company as announced Feb 24, 2017. The company also announced the US University Study has led to the development of new heart arrhythmia indicators for the TULIP™ system. The company held its Annual General and Special Meeting (AGSM) on March 3, 2017 and all items on the agenda was approved. The company received a final order on March 16, 2017 for the plan of arrangement as voted for at the AGSM, and on March 23<sup>rd</sup> announced the closing for the acquisition of the Health Platform and Cannabis Intellectual Properties. The company also announced the record date for the first two subsidiaries to be divested from the company to be March 22<sup>nd</sup> and April 4<sup>th</sup>, 2017. The C&C

Cosmeceutical's subsidiary for the hemp/cannabis based cosmetics and CBD infused topical creams and salves had all parties agree to a March 31, 2017 effective closing date. The company closed in escrow the assets and the company for CBD plant oil extractions on April 7<sup>th</sup>, 2017 and completed the final closing on April 28<sup>th</sup>, 2017. The share record dividend date for the C&C Cosmeceutical's subsidiary the trials division and the data security subsidiaries was announced as April 26<sup>th</sup>, 2017. C&C Cosmeceuticals Corp. was renamed Eviana Health Corp on May 12, 2017 and had successfully completed its acquisition of 2554191 Ontario Ltd. as announced on May 4<sup>th</sup>, 2017. The C&C subsidiary now renamed Eviana Health also announced that the payout date for the divestiture shares was paid out effective May 24, 2017. In June the company helped co-ordinate the pushout of the shares of Eviana and met with investment bankers to discuss financing strategies. In July, the company worked with the investment bankers to finalize the listing and disclosure requirements for Eviana and discussed strategies for developing Evitrade Health Systems Corp. In August, the company worked with it's R&D company and operator to release a new software update, and issued a press release to restate its June 30, 2016 financial statement due to a reclassification of the settlement of debt as an expenditure due to the extinguishment of debt. During the month of September the company worked with its R&D company to evaluate and begin the closing off of one of the ongoing studies.

Provide a general overview and discussion of the activities of management.

Management continues to pursue opportunities in the healthcare business. While the primary focus is still on customizing hardware technologies and software applications towards providing personalized health solutions for common health issues related to cardio-metabolic conditions, it is focussing initially on weight management. Management has been exposed to and presented with a number of health/medical opportunities, interesting software technologies, and other potential businesses. Management held an AGSM to approve the Plan of Arrangement and received final order from the Supreme Court of BC after shareholder approval was received. Management has completed the plan of arrangement and have spun out the subsidiaries from the Plan of Arrangement. The Company also continues to evaluate business opportunities in an endeavour to increase shareholder value. The primary business of the Issuer continues in the consumer health technology field and it is now working with various funding sources to ensure capital financing to continue to develop itself as an innovative consumer health solutions company. As the issuer has terminated the USA distribution agreement, it is focusing on its Canadian roll-out. Management continues with the usability testing of hardware and software components for marketing and commercial readiness purposes. The company has completed the initial commercial usability pilot for testing the system with both private and clinical users and has announced that has started the 2<sup>nd</sup> stage of the pilot. Management has retained counsel and consultants for listing on other international stock exchanges to increase visibility for the company and to potentially secure financing. Management attended an OTC Markets event "OTCQX Vancouver Senior Executive and Issuer's Forum" featuring a panel discussion on cross-border capital raising opportunities for Canadian companies with various Canadian and American industry experts. Management continues with communications and discussions with various parties in the financing community and with numerous broker-dealers, private equity companies, investment fund companies, lawyers and venture capital companies for funding and for public / business relations and opportunities. Management has begun discussions with various parties for possible commercialization arrangements and has signed an MOU with a Hong Kong based marketing group for sales and distribution into China. Management has also been active in fulfilling administrative duties. Management has been involved in working with its operator for updating a new software release based on feedback from the initial Pioneer Pilot of the TULIP(TM) system and announced a new release on April 14, 2016 in preparation for the 2<sup>nd</sup> stage of the Pilot trials. In June, the company has announced the start of the Doctors Supervised Study (2<sup>nd</sup> stage of the Pilot trials) in addition to a sponsored research program with a major university for autonomous medical opportunities using the TULIP(TM) system. The company has signed an MOU for sales and distribution into China and added a strategic advisor to the board with expertise and connections in Asia. Management effected a name change, a share consolidation, added an additional advisor to the board and announced a private placement of up to \$1 million dollars at \$2.50. Management reported that the clinical site set-up was completed and the study was progressing satisfactory. Testing of the TULIP system in Asia began in October which resulted in a

purchase order for 500 more systems for testing purposes. Advisor, C.K. Cheung was invited to join the board in October. Management was extremely busy in November completing all quarterly financial statements and reports for Q1 September 30, 2016 and filed it on SEDAR on November 29, 2016. In addition, management has begun conducting its due diligence on the two MOUs that have been announced. Management has been in discussion with at least two brokerage firms to conduct the due diligence on the industrial hemp and cannabis assets and to engage a brokerage firm to do a brokered financing for the industrial hemp business. Management has arranged contact with lawyers in Europe to assist with the due diligence of the industrial hemp business. Management reports that they have continued discussions with the Chinese group for sales and distribution into China and have been requested to assist in setting up three satellite offices in Hangzhou, Naning and Shanghai. At this time the Chinese marketing group continues to test the system. At a local level, management has been in discussions with a first nations elder to potentially locate a manufacturing facility on first nations land and to potentially scale manufacturing in Canada. Management is evaluating all options and determining what is economically feasible at the moment and will provide an update if there are any further developments in Asia or Canada from a marketing or manufacturing perspective. The clinical studies continue to progress satisfactorily if there is material or new to report, management will provide an update. Management has been involved in conducting its due diligence on the industrial hemp assets and has also signed a new LOI with a company for plant oil and CBD oil extraction. Management has been involved in preparing the information circular for the upcoming Annual General and Special Meeting (AGSM) which was held subsequent to the period ended March 3, 2017. Management cancelled their options and also confirmed that all other options with consultants had expired leaving no options outstanding that were issued with the company. Management had extensive meetings with lawyers to prepare for the company's appearance in the Supreme Court of BC to be heard for their petition to receive the final order to complete the plan of arrangement as voted for at the AGSM. In addition management has been involved with dealing with accountants and auditors to prepare for a stub audit and has submitted a draft listing statement for it's subsidiary C&C Cosmeceuticals Corp. Management has also had extensive meetings around final details for acquiring the intellectual properties for the health platform, the cannabis IP and the CBD plant oils extraction company. Management also has arranged a total of \$410,000 as a non-interest bearing loans from a third party to cover monthly expenses and the requirements of the C&C subsidiary's transaction in March and an additional \$58,700 in similar advances/loans for April 2017. Management and legal counsel completed the closing on Intellectual Property assets for a digital healthcare platform and for purified plant oils extractions for CBDs. Management and counsel also completed the closing on the plant oils extraction company for C&C Cosmeceuticals Corp. subsidiary and worked with accountants to complete interim statements and proforma statements for the listing statement for the C&C subsidiary. Management attended the OTC Markets OTCQX Senior Issuers conference in Vancouver In June, management communicated with auditors to begin preparations for the company's year end and met with investment bankers and potential investors to discuss financing strategies. In July, management began reviewing year end procedures and began evaluating the company's audit procedures. In August, management met with it's investment banker to discuss financing and corporate development, met with its' R&D operator to co-ordinate the new software update release and issued a press release to amend the June 30, 2016 financial statements to reflect the expense of the settlement and extinguishment of a liability. Management effected a change of Auditor to Charlton and Company from Cinnamon, Jang Willoughby in September and continued working on preparations for the audit. There are no other matters to report.

Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None to report.

2. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None to report.

3. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None to report.

4. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

The financial advisory agreement with Haywood was mutually terminated.

5. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None to report.

6. Describe the acquisition of new customers or loss of customers.

None to report.

7. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None to report.

8. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report.

9. Report on any labour disputes and resolutions of those disputes if applicable.

None to report.

10. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None to report.

11. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer had approximately CDN\$1,171,615 plus USD\$24,950 in cash debt/loan advances owed to directors of the company.

The Issuer also had a total of \$74,851 of cash debt/loan advances from related party creditors.

The Issuer also has US\$10,000 of cash loans advanced from a related party creditor.

The Issuer also has US\$90,000 of cash loans advanced from a non-related parties

The Issuer has \$1,537,787.50 in cash debt loaned to the company by non-related parties.

12. Provide details of any securities issued and options or warrants granted.

n/a

13. Provide details of any loans to or by Related Persons.

Loans from directors, for approximately CDN\$1,171,615 and USD\$24,950 of funds/loans to the company at of the date of this statement.

The Issuer also has \$74,851 of debt owed to related party creditors and approximately \$827,681 in convertible debt owed to the company's operator from the debt settlement.

The Issuer also has US\$10,000 of debt owed to a related party creditor.

14. Provide details of any changes in directors, officers or committee members.

None to report.

15. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None to report.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer, which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: October 5, 2017.

Sydney Au  
Name of Director or Senior Officer

"Sydney Au"  
Signature  
President and CEO  
Official Capacity

|   |  |   |                                   |
|---|--|---|-----------------------------------|
| <b>Issuer Details</b><br>Name of Issuer<br>EVITRADE Health Systems Corp. (formerly,<br>Auxellence Health Corporation) |  | For Month End<br>September 2017         | Date of Report<br>October 5, 2017 |
| Issuer Address<br>c/o Mr. Faisal Manji, CFO / Sydney Au, CEO<br>#168-11280 Twigg Place                                |  |   |                                   |
| City/Province/Postal Code<br>Richmond, BC, V6V 0A6  | Issuer Fax No.<br>N/A  | Issuer Telephone No.<br>(604) 780-3311  |                                   |
| Contact Name<br>Sydney Au   | Contact Position<br>President & CEO  | Contact Telephone No.<br>(604) 780-3311 |                                   |
| Contact Email Address:<br><a href="mailto:ceo@auxellence.com">ceo@auxellence.com</a>                                  | Web Site Address<br><a href="http://www.auxellence.com">www.auxellence.com</a> |   |                                   |