

**FORM 7**

**MONTHLY PROGRESS REPORT**

**AUGUST 2015**

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|--|---|
| Name of CSE Issuer                     | Auxellence Health Corporation(the "Issuer") |
| Trading Symbol                         | AID   |
| Number of Issued Listed Securities     | 105,379,284                                 |
| Number of Issued Outstanding Options   | None  |
| Number of Shares Reserved for Issuance | 23,001,600 (from Warrants)                  |
| Date                                   | September 3, 2015                           |

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.

During this month, the Issuer has continued its operations with planning of its business development. Management has received delivery of a hardware component of the theranostic device and continues working with its supplier in testing and improving of the software component and usability of the system. The company's manufacturer received regulatory approvals and market clearances for sale in Canada and the European Union.

The Issuer has been finalizing all the details of the Plan of Arrangement in preparation of completing the share push outs of the remaining two companies. The Issuer continues to work with a number of private venture capital firms for financing. The original agreement with Intrinsic Venture Corp. was not completed

and has been terminated. The company has been in discussions with Intrinsic to determine how to continue to possibly work together for financing. The USA distribution agreement that was signed and announced August 22, 2014 along with a specific plan of arrangement for the USA distribution company has also been terminated as indicated in the news release and corporate update on June 5, 2015. The issuer had announced on July 20, 2015 that it had offered or extended a new non-exclusive USA licensing agreement subject to financing and final approval by the intellectual property holder and creator. In addition there would be requirements for upfront payments for the licensing arrangement.

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. Management has had extensive meetings and discussions with numerous brokerage companies, private equity and venture capital firms to secure additional funding to continue to develop its business. 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 initiated a commercial usability pilot to test the system and has both private and clinical users testing the system. 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 has been active in meeting with broker-dealers, private equity companies, investment fund companies and venture capital companies. Management has also been active in fulfilling administrative duties. 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 financing agreement between Intrinsic Venture Capital and the issuer had terms which had expired and was terminated as announced on June 5<sup>th</sup>, 2015. The company has

been in discussions with Intrinsic Venture Capital to determine how to work with the company as announced on July 20, 2015. The financing agreement which was linked to the USA Distribution agreement had also been terminated as announced in the June 5<sup>th</sup>, 2015 corporate update portion of the press release. A new USA licensing agreement on a non-exclusive basis has been offered and extended to the parties, subject to an upfront licensing and financing payment and approval by the intellectual property holder and creator, as announced on July 20, 2015.

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 trademarks.

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 CDN\$109,400 plus USD\$24,750 in cash debt/loan advances owed to directors of the company.

The Issuer also had a total of \$600,501 of cash debt/loan advances from related party creditors at an interest rate of up to 12% compounded annually per annum.

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

The Issuer has \$158,207.50 in cash debt loaned to the company by non-related parties. This debt has no specified interest and no terms of repayment.

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

No new warrants or options granted.

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

Loans from directors, for CDN\$109,400 and USD\$24,750 of funds/loans to the company at of the date of this statement.

The Issuer also has \$600,501 of debt owed to related party creditors.

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: September 3, 2015.

Sydney Au  
Name of Director or Senior Officer

"Sydney Au"  
Signature  
President and CEO  
Official Capacity

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| <b>Issuer Details</b><br>Name of Issuer<br>Auxellence Health Corporation                       |  | For Month End<br>August 2015   | Date of Report<br>September 3, 2015     |
| Issuer Address<br>c/o Mr. Faisal Manji, CFO / Sydney Au, CEO<br>#701-675 West Hastings Street, |  |  |   |
| City/Province/Postal Code<br>Vancouver, BC, V6B 1N2  |  | 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> |   |