

Axxess Pharma, Inc.
Quarterly Report January-March 2014
Financial Statements
Unaudited

1) Name of the issue and its predecessors (if any)

Axxess Pharma, Inc. (hereunder as "Axxess", the "Issuer", or the "Company")

Predecessor: CGI Communications Services, Inc.

On July 26, 2008, the Company amended its Certificate of Incorporation with the Delaware Secretary of State to change its name from CGI Communications Services, Inc. to Axxess Pharma, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters:

2681 Eglinton Ave West
Toronto, ON, M6M 1T8
Canada
Phone: (416)-410-6006
Email: danielb@axxesspharmainc.com
Website(s): www.axxesspharmainc.com

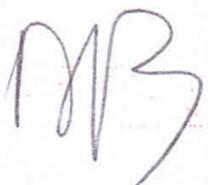
IR Contact

Stephen Taylor
104 North Munn Ave.
Newark, NJ, 07106 Phone: (973)-351-3868
Email:
Website(s):

3) Security Information

Trading Symbol: AXXE
Exact title and class of securities outstanding: common stock
CUSIP: 054631 20 5
Par or Stated Value: \$0.0001 per share (the "Common Stock")
Total shares authorized: 100,000,000 as of: February 21, 2014
Total shares outstanding: 46,009,839, as of March 31, 2014

Additional class of securities (if necessary):



Trading Symbol: N/A
Exact title and class of securities outstanding: preferred
CUSIP: N/A
Par or Stated Value: \$0.0001 per share (the "Preferred Stock")
Total shares authorized: 20,000,000 as of February 21, 2014
Total shares outstanding: 20,000,000 as of February 21, 2014

Transfer Agent

Name: Corporate Stock Transfer, Inc.
3200 Cherry Creek South Drive, Suite 430
Denver, Colorado 80209
Phone: (303) 282-4800

Is the Transfer Agent registered under the Exchange Act? Yes: X No:

List any restrictions on the transfer of security: None except for the restrictions under the applicable securities laws.

Describe any trading suspension orders issued by the SEC in the past 12 months: None.

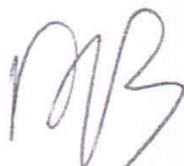
List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:
The Company completed a 750-for-1 reverse split in April 2012.

4) Issuance History

The Company's issuances of stock to March 31, 2014 are as follows:

Common Stock

1. 25,000,000 shares of Common Stock to Blue Ivory International Holdings, Ltd. in connection with an agreement for the licensing of Drug Identification Numbers;
2. 5,000,000 shares of Common Stock to Peter Daniel Bagi, M.D., the president of Access as compensation for services rendered;
3. 100,000 shares of Common Stock to Stephen Taylor for investor relations consulting services;
4. 1,000,000 shares of Common Stock to Laure Lee Bater (subsequently cancelled);
5. 500,000 shares of Common Stock to Joe Alessandro issued for consulting services;
6. 500,000 shares of Common Stock to Anslow & Jaclin, LLP for legal services rendered;
7. 2,000,000 shares of Common Stock to Merger Law Group Ltd. S.A. in connection with a consulting agreement;
8. 2,500,000 shares of Common Stock to Nicolino Alessandro issued for consulting services;
9. 750,000 shares of Common Stock to a Dino Fidani in connection with a share purchase agreement;



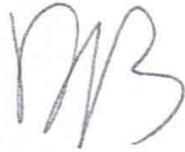
10. 2,000,000 shares of Common Stock to RAMM Venture Development, Inc. in connection with a share purchase agreement and consulting agreement.
11. 50,000 shares of Common Stock to Cindy Cohen for legal services rendered
12. 2,000,000 shares of Common Stock to North Drive Holdings LTD. For purchase of debt
13. 300,000 shares of Common Stock to Mike Marino in connection with share purchase agreements
14. 25,000 shares of Common Stock to Chris Palladini in connection with share purchase agreements
15. 25,000 shares of Common Stock to Michael Palladini in connection with share purchase agreements
16. 25,000 shares of Common Stock to Wayne Vincent in connection with share purchase agreements
17. 25,000 share of Common Stock to Robert Intini in connection with share purchase agreements.
18. 250,000 of Common Stock to Neil Mellor in connection with a consulting services agreement.
19. 3,225,000 shares of Common Stock to Revive Bioscience Inc. shareholders for purchase of assets (Drug registrations, patents, and formulae)
20. 750,000 shares of Common Stock to Equity Portfolio Funding LLC in connection with a Share Purchase Agreement
21. 7,000 shares of Common Stock to Ramel Shorte & Associates Inc. for investment Banking Services
22. 4,000 shares of Common Stock to Greg Traina for investment banking services
23. 4,000 shares of Common Stock to Myers Associates LP, for investment banking services
24. 100,000 shares of Common Stock to SG Business development pursuant to a consulting agreement

Preferred Stock

1. 20,000,000 shares of Preferred Stock to Blue Ivory International Holdings, Inc.

The above is a complete list of all of the Company's issuances of securities since its change of control in April 2012. The Company does not have a complete record of stock issuances before this time. In April 2012, after the change of control, the Company filed a Certificate of Amendment amending its Certificate of Incorporation with the Delaware Secretary of State effecting a 750-for-1 reverse split of the Company's Common Stock. As a result of this reverse split, the holders of the Company's Common Stock before the change of control occurred in April 2012 have a relatively small interest in the Company at this time.

5) Financial Statements



See the Financial Statements for the Quarter ended March 31, 2014 attached herewith this annual report as Exhibit A.

6) Describe the Issuer's Business, Products and Services

A. a description of the issuer's business operations;

Axxess, a Nevada Corporation, has in-licensed rights to manufacture and distribute several Health Canada-approved pharmaceutical and natural health products.

Our Own Products

The Company intends to manufacture and distribute in Canada, the USA and other markets internationally both in retail and online the products listed below:

Soropon Medicated Shampoo

Soropon Medicated Shampoo is a treatment for both infants and adults for fungal infections of the scalp such as seborrheic dermatitis and cradle cap in infants.

There are several shampoos meant to treat similar conditions such as, Nizoral, Dan-Gard, SebCur and Polytar, all being offered in the \$20-24.00 price range. The Company plans to employ an aggressive pricing strategy to compete effectively with the other competitors in this market segment, while marketing to all the target age groups.

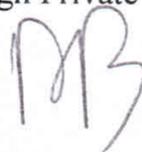
The Company expects to re-launch Soropon Medicated Shampoo into the Canadian market approximately six months upon completion further financing. We cannot guarantee that the financing will be available or available at favourable terms to the Company.

TapouT- branded Products: The Company acquired in 2013, the world-wide exclusive license from ABG-Authentic Brands for TapouT Vitamins & Minerals, Pain Relief and Certain Supplements, in return for a royalty rate of 5%.

The TapouT-branded products include TapouT Spray Pain Relief, TapouT Pain Relief Towelettes, TapouT Hot & Cold Reusable Packs, TapouT Instant Cold Packs, TapouT Extreme Muscle Growth Supplement and TapouT Muscle Recovery Supplement.

The TapouT-brand pain relief products use a patented formulation with no chemical binders, and all-natural ingredients. The Company believes this will confer a competitive advantage in the market.

The new products: TapouT Extreme Muscle Growth and TapouT Muscle Recovery is expected to be manufactured in the US through Private Label Nutraceuticals LLC



and, we intend to offer a premium formula in keeping with the quality and natural ingredients philosophy of TapouT.

Distributions

The Company plans to distribute its products in Canada, the US and certain international markets. The Company is currently negotiating licensing and/or distribution agreements with foreign distributors for the sales and marketing of some of Axxess's products in their respective territories. One example of a foreign distribution agreement is for Soropon medicated shampoo indicated for the treatment of seborrheic dermatitis and scaly dry scalp in infants and the elderly. With the high birth rate in Mexico, Axxess's partner in Mexico believes the local conditions favor a successful market penetration for Soropon.

Other Products

The Company plans to acquire the rights to new Health Sector products for Canada and certain other territories. The Company is currently in late-stage negotiations with a major brand company for the rights for certain Latin American markets for their proposed new line of topical and oral pain relief products. The Company hopes to not only distribute the existing pain line of products but also help develop some new products for this major brand.

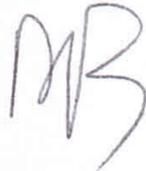
The Company has also negotiated the in-licensing of other Health Sector products, such as a cancer drug that recently became generic, and has the exclusive rights for this cancer drug from a Canadian manufacturer for territories such as Mexico, the Dominican Republic and other overseas territories.

Manufacturing

Axxess does not intend to manufacture any products itself, rather, it plans to use FDA or Health Canada approved contract pharmaceutical manufacturers to manufacture its product line. The Company intends to manufacture its own products in either Canada or the USA in cGMP facilities owned by contract manufacturers, for smooth access into more non-regulated markets overseas. Although the Company competes with other pharmaceutical companies who offer somewhat similar products, the Company believes its products offer some unique components which render its products more attractive to consumers, such as lower side-effect profile or price advantage.

Patents

On September 30, 2013, the Company acquired patents on the methods used to formulate its topical pain relief formula without the use of chemical binders, from Revive Bioscience Inc. In addition, the Company and relies on other proprietary manufacturing know-how for its certain products.



B. Date and State (or Jurisdiction) of Incorporation:

The Company was incorporated in the state of Delaware on April 7, 1997 as CGI Communications Services, Inc. On July 26, 2008, the Company amended its certificate of incorporation to change its name to Axxess Pharma, Inc. On December 6, 2012, the Company reincorporated in Nevada by merging into a newly formed Nevada entity with the same name. The Company now operates as Axxess Pharma, Inc., with Axxess Pharma Canada, Inc., as its wholly-owned subsidiary.

On October 1, 2013, the Company formed a wholly-owned subsidiary, AllStar Health Brands, Inc., under the laws of the Province of Ontario, Canada.

C. the issuer's primary and secondary SIC Codes;

Primary SIC Code: 2836-1; Secondary SIC Code: 2834-1.

D. the issuer's fiscal year end date;

The Company's fiscal year end date is December 31.

E. principal products or services; and their markets;

The Company's principal products are pharmaceutical and natural health products. The Company currently has the rights to several DINs and formulations (Drug Identification Numbers) registered with Health Canada, and intends to periodically launch some or all of these products onto the Canadian market.

7) Issuer's Facilities

The Company currently has its offices in Toronto, Canada and Mexico City, Mexico. The Company uses both office spaces free of charge based on its arrangement with certain affiliated parties.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors and Control Persons

Name	Affiliation
Peter Daniel Bagi, MD	President, Director and Control Person (holding 3,435,000 shares or of the Company's common stock)



Nicolino Alessandro	Control Person (holding 2,500,000 shares or 5.43%, of the Company's common stock)
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Peter Daniel Bagi, MD, is an experienced pharmaceutical and biotech professional with +23 yrs. in the industry. Dr. Bagi is currently responsible for all areas of operations, while the Company secures additional financing, and currently owns 3,435,000 shares of restricted Common Stock with a two-year holding period. Dr. Bagi is also currently the sole director.

Dr. Bagi graduated from the Faculty of Medicine at the University of Monterrey, in 1990, and subsequently successfully passed the US foreign-medical graduate licensing exam in 1991. Dr. Bagi began in the Biotech industry in 1990 as the Associate Medical Director of a Canadian Biotech company, which has since undergone several name changes over the years, but is currently known as Lorus Therapeutics, and as such Dr. Bagi's responsibilities included overseeing the cancer clinical trial program in Canada, US and Mexico. During his five-yr. tenure at Lorus, Dr. Bagi was asked to participate in presentations at medical and scientific conferences to highlight the progress of its lead cancer-fighting compound: Virulizin. In addition Dr. Bagi was able to spearhead the approval of Virulizin in Mexico as a second-line treatment for metastatic pancreatic cancer. Since Lorus was a small Biotech company, Dr. Bagi was also asked to present the scientific progress of Lorus during fund-raising efforts Lorus periodically undertook.

After leaving Lorus, Dr. Bagi freelanced as a biotech analyst at several of Toronto's brokerage firms writing reports on pharmaceutical and biotech companies the brokerages were considering investments in.

Dr. Bagi also was able to recruit World-Class Advisory Boards for several of the small biotech companies he has consulted with over the years, such as Alpha Rx.

Dr. Bagi also worked as a Business Development consultant for various small biotech companies, and was instrumental in out-licensing several medicinal products between Canadian and foreign pharmaceutical companies. One of Dr. Bagi's successful out-licensing medicines, Indaflex, a topical pain-relief product currently enjoys in excess of US\$2.5 MM in annual sales in Mexico.

Dr. Bagi's experience across several aspects of the operations of a small pharmaceutical company will serve the Company well in the execution of its Business Plan.

Consultant

Neil Mellor has over 25 years of pharmaceutical experience both in Canada and in Europe. Neil has worked for large companies such as Merck, GSK and Pfizer and has also worked with medium-sized pharma companies such as Solvay Pharma. Neil has spent the majority of his background in sales, marketing and business development and



has been involved with over thirty products in numerous therapeutic areas. Neil brings a great deal of first-hand experience in commercializing products. In addition, during 2008 Neil was President of the Canadian Healthcare Licensing Association (CHLA) and currently serves as a CHLA Board member. Neil has two daughters and lives in Markham, just north of Toronto.

Stephen Taylor is a consultant of the Company. He provides consulting services to the Company with respect to investor relations.

Mr. Taylor currently holds 200,000 shares of restricted Common Stock the company.

Stephen Taylor, 43, Chief Executive Officer and President of Taylor Capitol, Inc., has provided Investor Relation services for 12 years with a prior background in equity research and investment banking in the Wall Street area. Stephen Taylor possesses a deep network of connections in the investment community. This network ranges from retail brokers, fund managers, wealth managers, Wall Street analysts, investment bankers, private equity firms and senior level management consultants.

B. Legal or Disciplinary History

1. None of the above persons has, in the last five years, been the subject of: A conviction in a criminal proceeding or named as a defendant in a pending criminal proceedings (excluding traffic violations and other minor offenses);
2. The entry of an order, judgement, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of businesses, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of businesses or securities activities.

C. Beneficial Shareholders

The following table sets forth certain information with respect to the beneficial ownership of our securities by each major of the outstanding common stock and preferred stock of the Company as of February 21, 2014.

Common Stock

Name	Number of	Percent of
------	-----------	------------

MB

	Shares Beneficially Owned	Class (1)
Peter Daniel Bagi, MD	3,435,000,000	7.46%
All Executive Officer and Director as a group (1 persons)	3,435,000	7.46%
Blue Ivory International Holding, Ltd.(2)	25,000,000	54.43%

(1) Based on 45,909,839 shares of Common Stock outstanding as of February 21, 2014.

(2) Alan Cole is President of Blue Ivory International Holding, Inc. and has voting and dispositive control of the shares owned by Blue Ivory International Holding, Inc.

Preferred Stock

Name	Number of Shares Beneficially Owned	Percent of Class (1)
Blue Ivory International Holding, Ltd. (2)	20,000,000	100%

(1) Based on 20,000,000 shares of Preferred Stock outstanding as of February 21, 2014.

(2) Alan Cole is President of Blue Ivory International Holding, Inc. and has voting and dispositive control of the shares owned by Blue Ivory International Holding, Inc.

Listed Address: Peter Daniel Bagi, M.D. President
Axxess Pharma Inc.
2681 Eglinton Ave West
Toronto, ON, M6M 1T8
Canada

Listed Address: Blue Ivory Holdings, Ltd.
Alan Cole, Director
303 Shirley Street
P.O. Box N-492
Nassau, The Bahamas

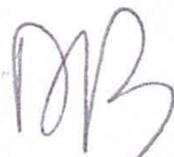
D. No broker or dealer or any associated person is affiliated, directly or indirectly with the issuer.

9) Third Party Providers

Legal Counsel

Gregg E. Jaclin, Esq., Partner

Szaferman Lakind Blumstein & Blader, P.C., as the Company's corporate and securities counsel.



101 Grovers Mill Road, Suite 200
Lawrenceville, NJ 08648
Phone: (609) 275-0400
Email: gjaclin@szaferman.com

Accountant or Auditor

Steven Rosenberg, CA
Rosenberg Smith & Partners LLP
2000 Steeles Ave West
Suite 200, Concord, ON
Canada. L4K 3E9
Phone: (905) 695-3565
Email: srosenberg@rsp.ca

KLJ & Associates, LLP
Kent L. Jensen CPA, CFE, Managing Partner
1107 Brunswick HBR
Schaumburg, IL 60193-4210
Phone: 630-277-2330

The Company's financial statements included in this Quarterly Report are not audited. However, KLJ & Associates, LLP has been retained by the Company to perform audit on the Company's financial statements.

Investor Relations Consultant

Name: Stephen Taylor
Firm: Taylor Capital, Inc
Address: 104 North Munn Ave., Newark, NJ, 07106
Phone: (973) 351-3868
Email: stephtayl9@aol.com

Other Advisors

N/A

10) Issuer Certification

I, Peter Daniel Bagi, M.D., certify that:

1. I have reviewed this Quarterly Report of Axxess Pharma, Inc.
2. Based upon my knowledge, this disclosure statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the

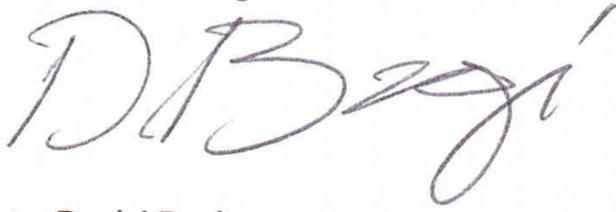


statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for the periods presented in this disclosure statement.

Date: April 30, 2014

s/ Peter Daniel Bagi

A handwritten signature in cursive script that reads "Peter Daniel Bagi". The signature is written in dark ink and is positioned above the printed name and title.

Peter Daniel Bagi

President

EXHIBITS

Designation
Exhibit A

Description
Financial Statements

Handwritten signature or initials, possibly 'MPB', in black ink.

Exhibit A

Financial Statements

MR

AXXESS PHARMA INC.
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
(Unaudited)

RSP

AXXESS PHARMA INC.
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
(Unaudited)

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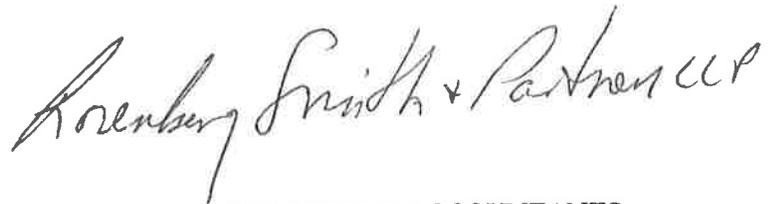
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NOTICE TO READER

On the basis of information provided by management, we have compiled the consolidated Balance Sheet of **Axxess Pharma Inc.** as at March 31, 2014 and the consolidated Statements of Loss and Deficit for the period from January 1, 2014 to March 31, 2014.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Concord, Ontario
April 28, 2014

AXXESS PHARMA INC.
(Incorporated under the laws of Ontario)
CONSOLIDATED BALANCE SHEET
MARCH 31, 2014
Unaudited - See Notice to Reader

	March 31, 2014	December 31, 2013
	\$	\$
ASSETS		
CURRENT		
Cash	62,682	5,114
Accounts receivable	7,394	2,400
Inventory	14,725	8,320
Prepaid expenses and sundry	<u>100</u>	<u>100</u>
	84,901	15,934
GOODWILL	50,000	50,000
LICENSING, Drug Identification Numbers	444,038	444,038
PATENT	20,000	20,000
	<u>598,939</u>	<u>529,972</u>

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AXXESS PHARMA INC.
(Incorporated under the laws of Ontario)
CONSOLIDATED BALANCE SHEET
MARCH 31, 2014
Unaudited - See Notice to Reader

	March 31, 2014	December 31, 2013
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable	285,749	252,750
Advances from consultant (Note 3)	60,423	48,040
Loan payable - Ramos & Ramos Investments Inc. (Note 6)	<u>183,000</u>	<u>180,000</u>
	<u>529,172</u>	<u>480,789</u>
LONG-TERM		
Loan payable - Canadian Heritage Ltd. (Note 4)	67,468	80,968
Loan payable - Ramm Venture Developments Inc. (Note 5)	264,985	200,000
Loan payable - Ramos & Ramos Investments Inc. (Note 6)	<u>473,468</u>	<u>489,468</u>
	<u>805,921</u>	<u>770,436</u>
	<u>1,335,093</u>	<u>1,251,225</u>
SHAREHOLDER'S DEFICIENCY		
STATED CAPITAL (Note 7)	297,070	122,165
DEFICIT	<u>(1,033,224)</u>	<u>(843,418)</u>
	(736,154)	(721,253)
	598,939	529,972

APPROVED ON BEHALF OF THE BOARD:

_____ Director

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AXXESS PHARMA INC.
CONSOLIDATED STATEMENT OF DEFICIT
3 MONTH PERIOD ENDED MARCH 31, 2014
Unaudited - See Notice to Reader

	March 31, 2014 (3 months)	December 31, 2013 (3 months)
	\$	\$
Deficit, beginning of period	(843,418)	(740,755)
Net loss	(189,806)	(102,663)
Deficit, end of period	(1,033,224)	(843,418)

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AXXESS PHARMA INC.
CONSOLIDATED STATEMENT OF LOSS
3 MONTH PERIOD ENDED MARCH 31, 2014
 Unaudited - See Notice to Reader

	March 31, 2014 (3 months)	December 31, 2013 (3 months)
	\$	\$
REVENUE		
	<u>4,994</u>	<u>2,400</u>
COST OF SALES		
Inventory, beginning of year	8,320	-
Purchases	9,900	10,000
Inventory, end of year	<u>(14,725)</u>	<u>(8,320)</u>
	<u>3,495</u>	<u>1,680</u>
GROSS PROFIT	<u>1,499</u>	<u>720</u>
EXPENSES		
Advertising and promotion	25,565	21,805
Automotive	3,496	1,682
Distribution costs	14,706	-
Insurance	8,798	-
Interest expense	6,698	5,293
Management fees	15,000	15,000
Office and general	14,297	1,261
Professional fees	59,250	41,710
Royalty fees	25,643	-
Telephone	2,461	548
Travel	<u>15,391</u>	<u>16,084</u>
	191,305	103,383
NET LOSS	<u>(189,806)</u>	<u>(102,663)</u>

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AXXESS PHARMA INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
3 MONTH PERIOD ENDED MARCH 31, 2014
Unaudited - See Notice to Reader

	March 31, 2014 (3 months)	December 31, 2013 (3 months)
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss	(189,806)	(102,663)
Changes in non-cash working capital item		
Increase in accounts receivable	(4,994)	(2,400)
Increase in inventory	(6,405)	(8,320)
Increase in prepaids and sundry	-	(100)
Increase in goodwill	-	(50,000)
Increase in licensing, Drug Identification Numbers	-	(20,000)
Increase in patent	-	(20,000)
Increase in accounts payable	<u>33,000</u>	<u>17,000</u>
	<u>(168,205)</u>	<u>(186,483)</u>
FINANCING ACTIVITIES		
Decrease in loan payable - Canadian Heritage Ltd.	(13,500)	-
Increase in loan payable - Ramm Venture Developments Inc.	64,985	200,000
Increase (decrease) in loan payable - Ramos & Ramos Investments Inc.	(13,000)	9,969
Increase (decrease) in advances from consultant	12,383	(92,596)
Issuance of capital stock	<u>174,905</u>	<u>-</u>
	<u>225,773</u>	<u>117,372</u>
INCREASE (DECREASE) IN CASH	57,568	(69,110)
CASH, beginning of year	5,114	74,224
CASH, end of year	<u>62,682</u>	<u>5,114</u>

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AXXESS PHARMA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
Unaudited - See Notice to Reader

NATURE OF BUSINESS

The consolidated financial statements include the financial results of Axxess Pharma Inc. and its wholly owned subsidiary Allstar Health Brands Inc.

Axxess Pharma Inc. was incorporated under the Laws of the Province of Ontario. The Company is engaged in the acquisitions of Drug Identification Numbers and the eventual sale of the related products. Allstar Health Brands Inc. was incorporated on October 1, 2013 under the Laws of the Province of Ontario. The Company is engaged in the acquisitions of Drug Identification Numbers and the eventual sale of the related products.

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

The financial statements include the accounts of the Company. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Intangible assets

Licensing, as it relates to Drug Identification Numbers, is accounted for as an indefinite lived intangible asset until the product is abandoned, at which point the intangible asset will be written off.

Intangible assets with indefinite lives are assessed annually for impairment. The Company completed the annual impairment test for 2013 and no impairment was determined. Future impairment tests will be performed annually or sooner if a triggering event occurs.

(c) Inventory and work in progress:

Inventory and work in progress is valued at the lower of cost and net realizable value, with cost determined on a specific item basis.

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AXXESS PHARMA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
Unaudited - See Notice to Reader

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) **Revenue recognition:**

Sales are recognized at the time ownership passes to the customer and collection of consideration is reasonably assured. This may be upon shipment of goods or upon delivery to the customer, depending on the contractual terms.

3. **ADVANCES FROM CONSULTANT**

The advances from consultant are non-interest bearing and due on demand.

4. **LOAN PAYABLE - CANADIAN HERITAGE LTD.**

The loan is non-interest bearing. It will not be called upon prior to April 1, 2015.

5. **LOAN PAYABLE - RAMM VENTURE DEVELOPMENTS INC.**

The loan payable bears interest of 12% per annum. The earliest the note can become due is April 1, 2015 when various private placement funds are received and then the note repayment can be accelerated. In the event of default of the repayment, the note shall automatically be converted to shares of the company's common stock at the price of \$.001 USD per share.

6. **LOAN PAYABLE - RAMOS & RAMOS INVESTMENTS INC.**

(a) The current portion of the loan payable bears interest at 8% per annum. The holder has the right to convert the full or any portion of the principal amount and accrued but unpaid interest into fully paid and assessable shares of common stock. Included in the interest expense is three months of interest on the loan.

(b) The long-term portion of the loan payable is non-interest bearing. The holder has the right to convert up to 10 % of the long-term portion per quarter into fully paid and assessable shares of common stock. If no conversion is made, the balance will remain as owing and will not be called upon prior to April 1, 2015.

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AXXESS PHARMA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
Unaudited - See Notice to Reader

7. **STATED CAPITAL**

At March 31, 2014 and December 31, 2013, the number of authorized and issued Class A shares are as follows:

		<i>March 31,</i> <i>2014</i>
		\$
100,000,000	Class A common stock, authorized	
46,009,839	Class A common stock, issued	297,170

8. **LICENSE AGREEMENT**

The company has entered into a license agreement with ABG TapouT, LLC to sell various products through its wholly owned subsidiary Allstar Health Brands Inc. The license term is five years ending December 31, 2018 and provided they are not in breach there exists two options to renew for two additional five year terms. Pursuant to the agreement the company must pay ABG TapouT, LLC a 5% royalty on net sales, the company must also maintain certain agreed upon sales levels set out in the agreement in order to maintain the license.

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