

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: VALENS GROWWORKS CORP. (the "Issuer").

Trading Symbol: VGW

Number of Outstanding Listed Securities: 72,192,879

Date: April 6, 2018

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 CNSX 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 CNSX.ca 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 CNSX 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 Company announced the successful completion of its initial batch of supercritical CO₂-extracted cannabis oil. The Company's current 400 kg per month processing capacity is expected to increase to 1,000 kg over March, and to 6,000 kg per month with the addition of several double-capacity machines, scheduled for delivery starting mid-April.

Solvent selection is very important for applications in the food, nutraceutical, and pharmaceutical industries, where health and safety legislation place severe restrictions on the types of solvents that can be used. Supercritical CO₂ removes the concern of toxic solvent residues in our products. CO₂ extracts are pure and require minimal post-processing. Carbon dioxide is generally recognized as safe by the FDA and EFSA, making CO₂ the ideal solvent for processing food and medical extracts.

Valens' utilization of a full-spectrum extraction process allows greater control and tuneability for multiple throughputs and sales objectives, is closed-loop so the evaporating CO₂ is captured and reused, and extracts a significant amount of the terpenes in cannabis, the fragrant oils that give cannabis its aromatic diversity.

Terpenes are secreted in the flower's sticky resin glands, the same ones that produce THC, CBD, and other cannabinoids. Lab-testing is the only way of knowing a strain's terpene potency. Valens' oils will be continuously batch-tested through Supra THC Services, our in-house Health Canada licensed cannabis testing lab, to assure the highest quality and content essential to our branding objectives.

According to Health Canada, the amount of cannabis oil sold during the third quarter of this fiscal year was 125% higher than the same quarter in the previous fiscal year. Solvent selection is very important for applications in the food, nutraceutical, and pharmaceutical industries, where health and safety legislation place severe restrictions on the types of solvents that can be used. Supercritical CO₂ extracts are pure and require minimal post-processing. Carbon dioxide is recognized as safe by the FDA and EFSA, making CO₂ ideal for processing food and medical extracts.

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

Company officers continue to be engaged with VAL's operational readiness, planning, costing and modeling for expanded operations, and engaging in various discussions and negotiations with respect to existing and anticipated management roles, and the completion of facility modifications required ahead of anticipated DL, LP and LS-related production capability.

The Company is focused on initiating production under its DL whilst ensuring no future conflict with the anticipated award of an LP.

3. 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.

The Company's original objective with a Dealer's Licence was to supply and participate in large scale clinical trials to ultimately acquire a Health Canada DIN number, thereby allowing it to pursue North American and European pharmaceutical sales. This has now grown substantially to encompass a much broader platform for growth as a biotechnology company with an aggressive buildout strategy. Health Canada's approval for the Company to manufacture and package cannabis oil products for sale to Licensed Producers, Licensed Dealers and approved Clinical Trials is a significant enhancement to our capabilities and cash flow expectations.

The Company seeks to capture a broad spectrum of medical cannabis users, and adult recreational users once legalized, as well as clinical trial and R&D clients, in pursuit of its ambitious "plants to premium products" objectives. In addition, the Company seeks to capitalize on the large ancillary services market by capturing the required analytical testing by current and future licensed producers.

Wholly owned subsidiary Supra THC Services Inc. in collaboration with Thermo Fisher Scientific, a world leader in Health Science services, is developing a "Centre of Excellence in Plant Based Medicine Analytics" to provide analytical services and directed research and development, including clinical trials. Supra and the Company's subsidiary Valens AgriTech Ltd. ("Valens AgriTech"), a Health Canada Licensed Dealer, recently announced a \$330,000 MITACS funded research grant and

collaboration with UBC Okanagan and Thompson Rivers University to explore potential cannabis bio-products including pharmaceuticals, nutritional products, and industrial fiber.

The Company entered into a strategic collaboration with Thermo Fisher Scientific (Mississauga) Inc. last year to develop a "Centre of Excellence in Plant Based Medicine Analytics" centered in Kelowna. This agreement is the first of its kind between a Canadian cannabis company and a world leader in Health Science services, with an ability to deliver innovative technologies, purchasing convenience and comprehensive services to this emerging market.

As the worldwide market continues to develop, deriving and branding different strains to alleviate specific neurological conditions through intensive plant breeding helps position the Company for a leading position in the phytopharmaceutical world, and to capitalize through strategic acquisitions, partnerships or sponsorship.

An application for an LP to produce Medical Marijuana in conjunction with the additional Dealer's License capabilities was filed in 2017 and is anticipated to allow "Craft Cannabis" sales to Medical Marijuana users and for the adult-use recreational use once legalized in July 2018. VAL's objective is to hold both R&D/Dealer licensing and Medical Marijuana Production and Sales licensing, and engage in extraction services for its own products, product testing, and providing fee-for-service to other operators, enabling the capture a broad spectrum of the market. The Company anticipates significant expansion to its existing cultivation capacity in due course, in support of extensive premium product branding and marketing initiatives.

4. 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

5. 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.

On March 8, 2018, the Issuer entered into an agreement with Hybrid Financial Ltd. ("**Hybrid**") where Hybrid will provide marketing services to the Issuer.

6. 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.

None to Report

7. 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

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

None to Report

9. 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
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
None to Report.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None to Report.
12. 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.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None to report
14. Provide details of any securities issued and options or warrants granted.
None to Report.

(1) Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.

(2) Indicate if Related Person.

15. Provide details of any loans to or by Related Persons.
None to report.
16. Provide details of any changes in directors, officers or committee members.
None to Report.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

CIBC World Markets reports estimates of the potential value of the recreational marijuana market in Canada range from \$5 billion to \$10 billion per year. The lower market value of \$5 billion per year translates into yearly consumption of 770,000 kilograms of marijuana, assuming a price of approximately \$6.50 per gram. To put the potential size of the Canadian recreational market in context, Statistics Canada valued the beer market in Canada, in 2014, at \$8.7 billion.

Marijuana could be legal for adult recreational use in Canada by as early as July 1, 2018, but more likely in August-September 2018. The legislation will broadly follow the recommendation of a federally appointed task force that was chaired by former liberal Justice Minister Anne McLellan. CBC News reported that the federal government will be in charge of making sure the country's marijuana supply is safe and secure, and Ottawa will license producers.

It is expected that Canada's cannabis industry could reach \$22.6 billion over the coming years, according to Deloitte, with a retail market worth up to \$8.7 billion. With only 91 producers licensed by Health Canada thus far, there's a significant market opportunity for Valens to capitalize on this growth over time. Many of these producers may not be licensed for sale. The Company has focused on building its production profile with Valens as well as its testing capacity through Supra which provides third party analytical services required by all producers.

On May 26 2017 Health Canada introduced several improvements to its medical cannabis program, expected to have direct application to the Company's expansion plans. Health Canada ("HC") states that effective immediately the application process for becoming a licensed producer of cannabis for medical purposes is as follows:

- Intake and Initial Screening
- Detailed Review and Initiation of Security Clearance Process
- Issuance of Licence to Produce ("LP")
- Introductory Inspection (as cultivation begins)
- Pre-Sales Inspection
- Issuance of Licence to Sell ("LS")

These improvements streamline the application process for issuing LPs, with some stages of the application reviews taken concurrently, permitting licensed producers to manage production on the basis of their vault capacity, authorizing longer validity periods for licenses and security clearances, and streamlining the review and approval of applications to modify or expand an existing production facility for licensed producers with a record of good compliance.

International Development

Medical marijuana opportunities are becoming increasingly available as new jurisdictions move towards establishing new or improved medical marijuana systems. As Canada has developed an enviable regulatory model, companies acting within that framework have expertise, knowledge and potentially product to share with the global community.

Certificate of Compliance

The undersigned hereby certifies that:

- a. 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.
- b. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
- c. 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).
- d. All of the information in this Form 7 Monthly Progress Report is true.

Dated: April 6, 2018.

Tyler Robson
Name of Director or Senior Officer

"Tyler Robson"
Signature

Chief Executive Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer Valens GroWorks Corp.	For Month End March 31, 2018	Date of Report YY/MM/DD 18/04/056
Issuer Address 15 th Floor, 1040 West Georgia Street,		
City/Province/Postal Code Vancouver, B.C. V6E 4H1	Issuer Fax No. (778) 379-9990	Issuer Telephone No. (604) 608-1999
Contact Name Tyler Robson	Contact Position CEO	Contact Telephone No. Cell: (778) 755-0052