

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: VALENS GROWORKS CORP. (the "Issuer").

Trading Symbol: VGW

Number of Outstanding Listed Securities: 114,887,510

Date: May 2, 2019

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 Exchange 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 Exchange 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 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.

On April 29, 2019, the Company announced that it is the first third party cannabis extraction company in Canada to receive organic certification for cannabis oil production from Pro-Cert Organic Systems Ltd. for its proprietary CO2 and ethanol extraction processing methods in accordance with the Canadian Organic Standards.

On April 25, 2019, the Company announced that it has entered into an arm's length binding multi-year extraction services agreement to provide cannabis and hemp extraction services to HEXO Corp, a leading cannabis producer and consumer packaged goods cannabis company.

On April 9, 2019, the Company announced that it has closed its previously announced bought-deal prospectus offering (the "Offering"). The syndicate for the Offering was led by AltaCorp Capital Inc. as lead underwriter and sole bookrunner, along with a syndicate of underwriters, including GMP Securities L.P., and Raymond James Ltd., Haywood Securities Inc., and Mackie Research Capital Corp., (together with AltaCorp Capital Inc. the "Underwriters"), pursuant to which the Company issued an aggregate of 14,618,644 units of the Company (the "Units") at a price of \$2.95 per Unit, which included the full exercise of the Underwriters' over-allotment option (the "Offering Price") for aggregate gross proceeds to the Company of \$43,125,000.

On April 1, 2019, the Company closed the acquisition of a 1.68 acre property with an existing 18,000 square foot building adjacent to the existing Kelowna facility for an agreed upon purchase price of \$4,000,000 with an arm's length seller. The Company is finalizing development plans and will pull required permits to commence improvements to the space specific for extraction, post processing and white label product development and manufacturing including beverages, edibles, tinctures, capsules and vaporizers as well as commence the required Health Canada licensing process required for the property.

The Company's management also continues to be active in moving towards EU GMP Certification.

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

During the month of April, Company management has continued to have active discussions with various parties to secure additional extraction agreements, like the agreement announced with HEXO Corp on April 25, 2019. The Company's management is also working with existing and potential new industry partners on building out white label capacity for beverages, edibles, tinctures, capsules, vaporizers, once all products are legalized by Health Canada.

Management continues to be engaged with VAL's operating activities and expanded product development as the Company is now generating revenues based on the contracts signed to date.

In addition, the Company continues to look at the international markets for opportunities for further expansion.

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 still seeks to capture a broad spectrum of medical cannabis users, and adult recreational users, as well as clinical trial and R&D clients, in pursuit of its ambitious "plants to premium products" objectives. The Company continues to grow to encompass a much broader platform focused on producing cannabis derivatives with an aggressive buildout strategy that is moving towards vertically integrating to create quality-controlled consumer products as well as white-labelling for other producers.

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.

The Company announced that it has entered into a multi-year extraction services agreement to provide cannabis and hemp extraction services to HEXO Corp.

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.

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The Company entered into an agreement to acquire all of the shares of Straight Fire Consulting LLC ("Agreement"), an entity through which a consultant had been providing services to the Company. As consideration, the Company issued 3,800,000 common shares and will transfer 4,000,000 ordinary shares in Rotogro upon receipt of Rotogro ordinary shares by the Company pursuant to the Supra SPA. In addition, the consultant has agreed to terminate the consulting agreement and all further obligations by the Company under the agreement, other than the change of control provisions which provide for an additional 3,000,000 common shares of the Company should a change of control occur within two years of the Agreement.

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

The Company entered into a multi-year extraction services agreement to provide cannabis and hemp extraction services to HEXO Corp.

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.

The Company received a notice of claim against the Company regarding a finder's fee the plaintiff claims is payable associated with the Rotogro share purchase agreement. The total amount of the claim is \$500,000 to be satisfied through the issuance of common

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shares of the Company. The plaintiff is currently claiming 87,966 shares of the Company, representing a quarter of the total amount the plaintiff claims will be owed. The Company believes the actions to be without merit and intends to defend this claim vigorously.

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.

On April 9, 2019, the Company announced that it has closed its previously announced bought-deal prospectus offering (the "Offering"). The syndicate for the Offering was led by AltaCorp Capital Inc. as lead underwriter and sole bookrunner, along with a syndicate of underwriters, including GMP Securities L.P., and Raymond James Ltd., Haywood Securities Inc., and Mackie Research Capital Corp., (together with AltaCorp Capital Inc. the "Underwriters"), pursuant to which the Company issued an aggregate of 14,618,644 units of the Company (the "Units") at a price of \$2.95 per Unit, which included the full exercise of the Underwriters' over-allotment option (the "Offering Price") for aggregate gross proceeds to the Company of \$43,125,000.

On April 9, 2019, the Company issued 50,000 common shares to an employee of the Company under the terms of the respective employment agreements.

On April 11, 2019, the Company issued 25,000 common shares on the exercise of options at a price of \$1.25 per share.

On April 16, 2019 issued 344,341 common shares and 172,170 warrants on the exercise of a broker warrant certificate issued by the Company dated October 10, 2018.

On April 18, 2019, the Company issued 2,083 common shares on the exercise of options at a price of \$1.95 per share.

On April 23, 2019, the Company issued 3,800,000 common shares with respect to the acquisition of Straight Fire Consulting LLC and termination of associated consulting agreement.

On April 26, 2019, the Company issued 650,000 common shares with respect to the exercise of warrants at a price of \$2.54 per share.

On April 29, 2019, the Company issued 1,000 common shares with respect to the exercise of warrants at a price of \$2.54 per share.

On April 30, 2019, the Company issued 1,350,000 common shares with respect to the exercise of warrants at a price of \$2.54 per share.

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.

On October 17, 2018, the Cannabis Act came into effect providing for the legalization and regulation of recreational cannabis use in Canada.

International medicinal cannabis opportunities continue to become increasingly available as new jurisdictions move towards establishing new or improved medicinal cannabis 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. The Company is still currently exploring international sales and other business opportunities in Malta, Denmark, Germany and Australia.

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 is no material information concerning the Issuer which has not been publicly disclosed.
- 3. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
- 4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 2, 2019

Tyler Robson
Name of Director or Senior Officer

“Tyler Robson”
Signature

Chief Executive Officer
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Valens GroWorks Corp.		April 30, 2019	YY/MM/DD 19/05/02
Issuer Address 230 Carion Road			
City/Province/Postal Code Kelowna, BC V4V 2K5		Issuer Fax No. (778) 379-9990	Issuer Telephone No. (778) 755-0052
Contact Name Tyler Robson		Contact Position CEO	Contact Telephone No. (778) 755-0052
Contact Email Address tyler@valensgroworks.com		Web Site Address www.valensgroworks.com	