

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: VGW

Number of Outstanding Listed Securities: 93,213,657

Date: January 4, 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 December 13, 2018, the Company announced that it has entered into a multi-year agreement, with Canopy Growth Corporation (TSX: WEED; NYSE: CGC) to provide extraction services, utilizing the Company's proprietary technology and methodologies to process Canopy Growth's whole flower and trim into high-grade cannabis resin.

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 December, Company management has continued to have discussions with various parties to secure additional extraction agreements, like the Canopy agreement announced December 13, 2018.

Management continues to be engaged with VAL's operational readiness supporting the team as the Company is now generating revenues based on the contracts signed to date as well as Valens Farms' planning, costing and modelling for expanded operations. In addition, the Company continues to look at the international markets for opportunities.

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 entered into a multi-year agreement with Canopy Growth Corporation (TSX: WEED; NYSE: CGC) to provide extraction services, utilizing the Company's proprietary technology and methodologies to process Canopy Growth's whole flower and trim into high-grade cannabis resin.

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.

The Company entered into a multi-year agreement with Canopy Growth Corporation (TSX: WEED; NYSE: CGC) to provide extraction services, utilizing the Company's proprietary technology and methodologies to process Canopy Growth's whole flower and trim into high-grade cannabis resin.

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.

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 were 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 January 4, 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.		December 31, 2018	YY/MM/D 19/01/04
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		

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