FORM 7  
  
MONTHLY PROGRESS REPORT

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

Trading Symbol: VGW

Number of Outstanding Listed Securities: 73,143,129

Date: October 4, 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 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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 September 21, 2018 the Company signed a manufacturing and sales license agreement with Tarukino Holdings Inc. (“Tarukino”). Under the agreement, Tarukino granted Valens the exclusive Canadian rights to the production and distribution of its proprietary emulsion technology that transforms cannabis oil and oil-based terpenes into water-soluble forms for use in beverages, edibles, topicals and other consumer products. The agreement also provides Valens with the exclusive rights to produce, sell and distribute, in Canada, when and where permitted, Tarukino branded products including Happy Apple™, a cannabis-infused sparkling cider, and Pearl20™, a cannabis infused food and beverage mixer. In exchange for these exclusive Canadian rights, the Company has agreed to grant Tarukino 4,300,000 shares of the Company on signing the agreement, 1,000,000 warrants that vest based on certain future milestones and a decreasing royalty on revenue related to the associated products and technologies over the term of the agreement. The warrants are exercisable at prices ranging from $3.50 to $4.00 per share for a five-year term from the date of issuance.

On September 17, 2018, the Company announced a bought deal financing with gross proceeds of $25,000,000 comprised of 12,820,513 units of the Company at a price of $1.95 per unit. Each unit entitles the holder to one common share of the Company and one-half of one common share warrant of the Company. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $2.54 per common share for a period of 24 months following the closing date. In the event the volume weighted average trading price of the Company’s common shares exceeds $3.81 for ten consecutive trading days, the Company shall have the right to accelerate the expiry of the warrants upon not less than fifteen trading days’ notice. In addition, the Company has agreed to grant the underwriters an option to purchase an additional 1,923,077 units at a price of $1.95 per unit for 30 days following the closing of the offering. In connection with the offering the Company has agreed to pay the underwriters a commission of 6% of gross proceeds in addition to 6% compensation units at a price of $1.95 per unit for a period of 24 months from the closing date.

On September 7, 2018 the Company signed a letter of intent with Medigrowth Australia Pty Ltd. (“Medigrowth”) for the Company to supply premium cannabis flower and oil product offerings to Medigrowth for sale and distribution in the Australian market, for the Company to supply premium cannabis flower and oil product offerings to Medigrowth for research and development initiatives and for the Company to provide cultivation, extraction and lab service expertise to Medigrowth to support research and development partnerships with Australian universities, governments and other institutions.

The Company is pending receipt of its LP license under Valens Agritech with regards to cultivation and processing.

The Company continues to develop and construct the purpose-built $75 million 400,000 square foot commercial cannabis production facility in the Township of Spallumcheen, BC under Valens Farms.

The Company’s EU GMP Certification also continues to be pending.

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

During the month of September, Company management was working on the $25,000,000 bought deal financing announced on September 17, 2018 in addition to securing a licensing and IP agreement with Tarukino for the Canadian rights to proprietary cannabis emulsion technology for use in edibles, beverages and topicals.

Management also continues to be engaged with VAL’s operational readiness 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 like the Eticann letter of intent announced on August 29, 2018 and the Medigrowth letter of intent announced on September 7, 2018.

1. 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.

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The Company still 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. 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.

1. 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.

1. 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.

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1. 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.

1. 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.

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

None to report.

1. 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.

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report.

1. Report on any labour disputes and resolutions of those disputes if applicable.

None to report.

1. 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.

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report.

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

On September 5, 2018 the Company issued 400,000 common shares in relation to the exercise of stock options at a price of $1.00 per share.

On September 12, 2018 the Company issued 156,000 common shares in relation to the exercise of warrants at a price of $1.50 per share. On September 18, 2018 the Company issued an additional 30,000 common shares in relation to the exercise of additional warrants at $1.50 per share.

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

None to report.

1. Provide details of any changes in directors, officers or committee members.

On September 5, 2018, the Company announced that Mr. Chris Irwin, Mr. Nitin Kaushal, Mr. Ashley McGrath and Mr. Chris Buysen have joined the Board of Directors. The Company also announced Mr. John Cullen and Dr. Rob O’Brien have resigned from the Board of Directors and Dr. O’Brien also resigned as CSO.

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

Regulation details continue to be solidified for the launch of recreational cannabis use legalization on October 17, 2018.

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 October 4, 2018.

Tyler Robson   
Name of Director or Senior Officer

*“Tyler Robson”*   
Signature

Chief Executive Officer

Official Capacity

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| ***Issuer Details***  Name of Issuer  Valens GroWorks Corp. | For Month End    September 30, 2018 | Date of Report  YY/MM/D  18/10/04 |
| 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 | |