

FORM 8

NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

Name of Listed Issuer: Valens GroWorks Corp. (the "Issuer").

Trading Symbol: VGW

Date: October 10, 2018

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: September 21, 2018.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering: _____

Date of News Release Announcing Proposed Prospectus Offering: September 17, 2018.

(or provide explanation if news release not disseminated yet and expected date or circumstances that are expected to trigger news release dissemination)

1. Prospectus Offering

1. Description of securities to be issued:

(a) Class: Units, each Unit being comprised of one common share in the capital of the Issuer (each a "Common Share" and collectively, the "Common Shares") and one half of one Common Share purchase warrant (each whole such warrant, a "Warrant"), each Warrant entitling the holder thereof to purchase one additional Common Share (each, a "Warrant Share") at a price of \$2.54 until a date that is 24 months from the Closing Date.

The Underwriters also have an Over-Allotment Option, exercisable in whole or in part, to purchase up to an additional 1,923,077 Units. The Over-Allotment Option may be: (i) Units at the Issue Price; or (ii) Common Shares at a price of \$1.8259; or (iii) Warrants at a price of \$0.2483; or (iv) any combination of Over-Allotment Shares and/or Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 1,923,077 Over-Allotment Shares and 961,539 Over-Allotment Warrants representing up to 15% of the Units issued pursuant to the Offering.

- (b) Number: 12,820,513 Units (and an additional 1,130,997 Over-Allotment Common Shares and 961,539 Over-Allotment Warrants).
- (c) Price per security: \$1.95 per Unit, \$1.8259 per Over-Allotment Common Share, and \$0.2483 per Over-Allotment Warrant.
- (d) Voting rights: One vote per Common Share
2. Provide details of the net proceeds to the Issuer as follows:
- (a) Per security: _____
- (b) Aggregate proceeds: \$26,665,573.19
3. Provide description of any Warrants (or options) including:
- (a) Number _____
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options) _____
- (c) Exercise price: \$2.54
- (d) Expiry date October 10, 2020
- (e) Other significant terms: In the event that the volume weighted average trading price of the Common Shares on the CSE for 10 consecutive trading days exceeds \$3.81, the Issuer shall have the right to accelerate the expiry date of the Warrants upon not less than fifteen days' notice.
4. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount Not Applicable.
- (b) Maturity date Not Applicable.
- (c) Interest rate Not Applicable.
- (d) Conversion terms Not Applicable.
- (e) Default provisions Not Applicable.
5. Details of currently issued and outstanding shares of each class of shares of the Issuer: 73,148,129 Common Shares are currently issued and outstanding.
6. Describe any unusual particulars of the offering (i.e. tax "flow through" shares, special warrants, etc.).

Not applicable.

7. Provide details of the use of the proceeds: Acquisition of the Kelowna Facility and expansion of its extraction and post-processing capacity at the facility, increase domestic extraction and post-processing capacity through geographic expansion, and general working capital.
8. Provide particulars of any proceeds of the offering which are to be paid to Related Persons of the Issuer: Not applicable.
9. Provide details of the amounts and sources of any other funds that will be available to the Issuer prior to or concurrently with the completion of the offering: Not applicable
10. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the offering (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker, finder or other person receiving compensation in connection with the offering (name, address, beneficial ownership where applicable) AltaCorp Capital Inc. – 66 Wellington St W #3530, Toronto, ON M5K 1A1 – 430,426 Broker Units; Mackie Research Capital Corp.- 199 Bay Street, Suite 4500, Commerce Court West, Box 368, Toronto, ON M5L 1G2 – 344,341 Broker Units; and Beacon Securities Limited - 66 Wellington St W Suite 4050, Toronto, ON M5K 1H1 – 86,085 Broker Units.
 - (b) Cash \$1,638,228.0756
 - (c) Securities 860,852 Units consisting of one Common Share and one Common Share purchase Warrant (the "Broker Units").
 - (d) Other Not applicable.
 - (e) Expiry date of any options, warrants etc. October 10, 2020
 - (f) Exercise price of any options, warrants etc. \$2.54 per Broker Unit Warrant.
11. State whether the sales agent, broker, dealer, finder, or other person receiving compensation in connection with the offering is a Related Person of the Issuer with details of the relationship: Not applicable.
12. Provide details of the manner in which the securities being offered are to be distributed. Include details of agency agreements and sub-agency agreements

outstanding or proposed to be made including any assignments or proposed assignments of any such agreements and any rights of first refusal on future offerings: Bought deal short form prospectus offering.

13. Attach any term sheet, engagement letter or other document setting out terms, conditions or features of the proposed offering.

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 on behalf of the Issuer.
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 8 Notice of Proposed Prospectus Offering is true.

Dated October 10, 2018 _____.

Chris Irwin

Name of Director or Senior
Officer

"Chris Irwin" (Signed)

Signature

Director

Official Capacity