

FORM 8

NOTICE OF PROPOSED PROSPECTUS OFFERING

Please complete the following:

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

Trading Symbol: VGW

Date: September 21, 2018

Is this an updating or amending Notice: Yes No

If yes provide date(s) of prior Notices: _____.

Issued and Outstanding Securities of Issuer Prior to Proposed Prospectus Offering:
73,113,129 .

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.
- (b) Number 12,820,513 Units (up to 14,743,590 Units is the over-allotment option is exercised in full).
- (c) Price per security \$1.95.
- (d) Voting rights 1 per Common Share.

2. Provide details of the net proceeds to the Issuer as follows:

- (a) Per security: \$1.833.

- (b) Aggregate proceeds: \$23,500,000.
3. Provide description of any Warrants (or options) including:
- (a) Number 6,410,256 Warrants (up to 7,371,795 Warrants if the over-allotment option is exercised in full).
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options) 6,410,256 Common Shares (up to 7,371,795 Common Shares if the over-allotment option is exercised in full).
- (c) Exercise price \$2.54 per Warrant.
- (d) Expiry date twenty-four (24) months from the date of closing the Offering, subject to adjustment in certain events.
- (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: 73,113,129 Common Shares 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.
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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 Street West, Suite 3530, Toronto, ON, M5K 1A1) ("AltaCorp") as sole bookrunner, Mackie Research Capital Corp. (199 Bay Street, Toronto, ON M5L 1A1) (together with AltaCorp, the "Co-Lead Underwriters") and including Beacon Securities Limited (collectively, the "Underwriters")
 - (b) Cash \$1,500,000, which represents 6% of the gross proceeds of the Offering (up to \$1,725,000 if the over-allotment option is exercised in full).
 - (c) Securities 769,231 Units consisting of one Common Share and one half of one common share purchase warrant (the "Broker Units")(up to 884,615 if the over-allotment option is exercised in full)
 - (d) Other Not Applicable.
 - (e) Expiry date of any options, warrants etc. 24 months from the date of closing.
 - (f) Exercise price of any options, warrants etc. \$1.95 per Broker Unit.
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
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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 (“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 September 21, 2018.

Chris Irwin _____

Name of Director or Senior
Officer



Signature

Director _____

Official Capacity