

51-102F3 Material Change Report [F]

Item 1 Name and Address of Company

Valens Groworks Corp.
1400, 1040 West Georgia Street
Vancouver, BC V6E 4H1

Item 2 Date of Material Change

February 16, 2017

Item 3 News Release

The news release dated February 16, 2017 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Name Change.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Robert van Santen, CEO, Valens Groworks Corp.

Item 9 Date of Report

February 16, 2017

**VALENS GROWORKS ENTERS INTO U.S. CONSULTING, OPERATING
AND LOAN REPAYMENT AGREEMENTS**

Vancouver, B.C., February 16, 2017 – Valens GroWorks Corp. (CSE: VGW) together with its subsidiary (collectively, the “Company”) is pleased to announce its engagement under a 5-year, renewable, Professional Services Agreement (the “PSA”) with Arizona-based marijuana cultivation and medicinal dispensary business MKHS, LLC and its affiliate MKV Ventures 1, LLC (collectively, “MKHS”).

In addition, MKHS has issued to the Company a US\$1,212,500 Promissory Note, Loan Agreement and Guaranty that secures repayment of previous advances (collectively, the “Arrangement”). This Arrangement supersedes and replaces the Company’s previously described investment in MKHS and settles all outstanding issues between the parties.

As a result of this Arrangement, MKHS will complete the buildout of the 28,000-sf Farmtek greenhouse expansion, as proposed and funded by the Company in 2016 (the “Buildout”). In accordance with the PSA, payments of US\$60,000 per month for management services (“Management Services”) will commence to the Company upon completion of the Buildout, with the initial three month’s payments to be deferred and paid at the end of the third month following Buildout to allow for an initial harvest. In addition, the Company will provide consulting services (“Consulting Services”) to be performed and invoiced monthly, and will be reimbursed for approved out-of-pocket expenses and sub-contracted services.

In accordance with the Arrangement, loan interest accrues at the rate of 15% per annum commencing May 15, 2016. Principal and interest, as well as US\$30,000 in cost recoveries for past accrued fees, shall be payable to the Company by MKHS in arrears commencing at the end of the third month following Buildout, and on the 15th day of each month thereafter over a 5-year term.

MKHS supplies medical marijuana pursuant to the Arizona Medical Marijuana Act, operating an 11,000-sf warehouse cultivation, commercial kitchen and extraction facility, and a nearby fully-secured 9.5-acre operation that includes a 3,000-sf automated greenhouse and 21,780-sf (1/2 acre) Airstream wind-assisted, air-supported greenhouse, and the proposed Buildout. MKHS also operates two state-licensed “healing center” dispensaries, and distributes its own in-house prepared, branded line of edibles, concentrates and extracts.

About Valens GroWorks Corp.

Valens GroWorks Corp is a Canadian Securities Exchange listed company with two pending proposed acquisitions in progress (see our February 9, 2017 news release), proposes to provide management, consulting, testing and support services to domestic and international licensees, and seeks to capture a broad spectrum of medical marijuana users, as well as recreational users once legalized, in pursuit of its ambitious farm to pharma objectives.

The Company’s wholly-owned subsidiary, Valens Agritech Ltd. (“VAL”), is a post-inspection applicant (see our January 13, 2017 news release) awaiting the granting of a Controlled Drugs and Substances Dealer’s Licence for the cultivation and processing of marijuana. Based in the Okanagan Valley of British Columbia, VAL anticipates participation in clinical trial programs researching the efficacy of medical cannabis.

**On behalf of the Board of Directors,
VALENS GROWORKS CORP.**

(signed) “Robert van Santen”

Chief Executive Officer

For further information, please contact:

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Notice regarding Forward Looking Statements

This news release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or its subsidiaries to be materially different from any future

results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include statements regarding the use of proceeds from a proposed funding. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability to obtain any necessary financing; the economy generally; competition; regulation and anticipated and unanticipated costs and delays. The forward-looking statements included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation. Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. We seek safe harbor.