

## 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

July 26, 2017

### Item 3 News Release

The news release dated July 26 2017 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

### Item 4 Summary of Material Change

N/A

### 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

Tyler Robson, CEO, Valens Groworks Corp.

### Item 9 Date of Report

July 26, 2017

## **VALENS GROWORKS ANNOUNCES PRIVATE PLACEMENT, INSIDER PARTICIPATION**

*Vancouver, B.C., July 26, 2017 – Valens GroWorks Corp. (CSE: VGW) (the “Company” or “Valens”), a vertically integrated provider of cannabis products, is pleased to announce a non-brokered private placement of up to 4,000,000 units (the “Units”) at a price of \$1.00 per Unit for gross proceeds of up to \$4,000,000 (the “Offering”).*

*The net proceeds of the Offering will be used for plant expansion, including additional growing and oil extraction capacity at existing facilities, marketing & branding initiatives and other growth opportunities and general corporate purposes.*

*The Company anticipates significant insider participation in the Offering. The issuance of those Units to the insiders will be considered related party transactions within the meaning of Multilateral Instrument 61-101 (“MI 61-101”).*

*The Company intends to rely on the exemptions from the requirements of MI 61-101 in respect of any Insider Participation.*

*Each Unit will consist of one common share of the Company (a “Common Share”) and one-half of a Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$1.50 for a period of 12 months from the closing of the Offering, subject to the acceleration provision described below. The Units will be made available by way of prospectus exemptions in Canada and in such other jurisdictions as the Company may agree where the Units can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements.*

*The Company will be entitled to accelerate the expiry date of the Warrants to the date that is 30 days following the date the Company issues a news release announcing that the published closing price of the Common Shares on the Canadian Securities Exchange (the “CSE”) has been equal to or greater than \$2.00 for ten consecutive trading days after the hold period on the Common Shares has expired.*

*Closing of the Offering is expected to occur on or about August 18, 2017 (the “Closing”) and is subject to regulatory approval including that of the CSE. The Company may pay a finder’s fee on the non-insider portion of the Offering within the amount permitted by the policies of the CSE.*

*All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.*

### **About Valens GroWorks Corp.**

Valens GroWorks Corp is a CSE-listed company with an aggressive buildout strategy in progress. The Company seeks to capture a broad spectrum of clinical trial and R&D clients, medical marijuana users, as well as adult recreational users once legalized, in pursuit of its ambitious seed-to-sale and farm-to-pharma objectives. The Company also provides management, consulting, testing and support services to domestic and international licensees, as well as financing and managing the buildout of fully-licensed 3<sup>rd</sup> party operations.

The Company has two wholly-owned subsidiaries based in the Okanagan Valley of British Columbia: 1) Valens Agritech Ltd. (“VAL”) which holds a Controlled Drugs and Substances Dealers Licence at its state-of-the-art production facility in Kelowna, British Columbia, and 2) Supra THC Services Inc. (“Supra”), a Health Canada licensed cannabis testing lab providing sector-leading analytical and proprietary services to Licensed Producers and ACMPR patients.

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

*(signed) “Tyler Robson”  
Chief Executive Officer*

***For further information, please contact:***

*Greg Patchell*

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*Notice regarding Forward Looking Statements*

*This news release contains certain “forward-looking statements” within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as “anticipates”, “plan”, “continue”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed”, “positioned” and other similar words, or statements that certain events or conditions “may” or “will”*

*occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. The CSE or other regulatory authority has not reviewed, approved or disapproved the contents of this press release. We seek Safe Harbour.*