

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

October 3, 2017

Item 3 News Release

The news release dated October 3, 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

October 3, 2017

VALENS GROWORKS ANNOUNCES PARTNERSHIP WITH BC UNIVERSITIES

Vancouver, B.C., October 3, 2017 – Valens GroWorks Corp. (CSE: VGW) (the “Company”) is pleased to announce a research partnership with UBC Okanagan and Thompson Rivers University. Dubbed the Cannabis Bio-products Toolbox, this collaborative research project will explore the vast range of bioproducts that can be made from the plant — these include pharmaceuticals, nutritional products, and industrial fibre.

The project has been awarded to Valens GroWork’s Health Canada-licensed subsidiaries Valens Agritech and Supra THC Services, and comes with a three-year \$330,000 MITACS Research Grant. Research and analysis on cannabis plants and by-products will to be supervised by Valens Agritech scientists Dr. Rob O’Brien and Dr. Yasantha Athukorala.

“Cannabis is a source of many potentially valuable products,” says UBC Okanagan biology professor Michael Deyholos. “But because of its prohibition over the past decades, development of new products from cannabis has lagged behind other crops.” Deyholos, whose research explores the potential of flax and hemp, says on the medicinal side of cannabis there are dozens of compounds in the plant that may have specific health benefits. “Besides these pharmaceutical compounds, there are healthful oils and proteins in the seed that we would like to enrich,” he adds. “All of this requires a better understanding of the genes and chemicals already present in different strains of cannabis, and that is what this project is designed to do.”

Deyholos says while cannabis is best known as a source of THC - the principal psychoactive ingredient in cannabis—the plant produces at least 90 other cannabinoids - many of which have potent biological activities. Some of these compounds are being examined for the treatment of cancer, Parkinson’s disease, and other serious health conditions.

“Our team has experience in the characterization of a range of relevant biosynthetic pathways in cannabis stems,” he adds. The researchers want to breed strains that are enriched in various combinations of these compounds, tailored to the needs of specific patients.

Deyholos is joined by UBC Okanagan biology professor Soheil Mahmoud, and UBC chemistry professor Paul Shipley - whose lab examines the chemistry of medicinal plants, and Thompson Rivers University chemistry professor Bruno Cinel - a natural products chemist. Together with a number of post-doctorate fellows and graduate students they will work at the Health Canada-licensed laboratories of the Company’s subsidiaries Valens Agritech and Supra THC Services in Kelowna.

“It is an honour to be associated with such a collection of accomplished scientists,” says Valens Agritech President and Chief Science Officer O’Brien. “The research derived from this funding will provide insights into the complexity of gene expression in cannabis and will help produce new varieties that can have a greater health impact.”

This work was supported by MITACS through the MITACS Accelerate Program.

“MITACS is by far the best funding program in support of intern placement,” adds O’Brien. “It is a critical component of Canada’s success in the international marketplace.”

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 medical cannabis users, and adult recreational users once legalized, as well as clinical trial and R&D clients, in pursuit of its ambitious seed-to-sale and farm-to-pharma objectives. The Company provides management, consulting, testing and support services to domestic and international licensees, as well as financial support to fully-licensed third-party operations.

The Company operates through two wholly-owned subsidiaries based in the Okanagan Valley of British Columbia: Valens Agritech Ltd. (“VAL”) holds a Health Canada Dealer’s License and is positioning for expanded cannabis production, and 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.

Supra, in collaboration with Thermo Fisher Scientific (Mississauga) Inc., is developing a “Centre of Excellence in Plant Based Medicine Analytics” in Kelowna, British Columbia. For more information, please visit <http://valensgroworks.com>, <http://www.valensagritech.com> and <http://www.suprathc.ca>.

ABOUT THOMPSON RIVERS UNIVERSITY

Thompson Rivers University is committed to participating in community partnerships that drive the knowledge and innovation economy in British Columbia’s Southern Interior. Named after the view from its main Kamloops campus overlooking the junction of the North and South Thompson rivers, TRU is proud to support the nearly 26,000 students on its campuses in Kamloops and Williams Lake, and in online programming through TRU Open Learning.

With a 45-year history of excellence in education in the BC Interior, TRU prides itself on providing students with access to a research-informed education, and providing our communities with access to the benefits of scholarly, research, and creative activities that solve community problems and enrich community life.

ABOUT UBC'S OKANAGAN CAMPUS

UBC’s Okanagan campus is an innovative hub for research and learning in the heart of British Columbia’s stunning Okanagan Valley. Ranked among the top 20 public universities in the world, UBC is a globally recognized research-intensive institution whose Okanagan campus was established in 2005.

The Okanagan campus emphasizes smaller class sizes, experiential learning, and research activity for students, combining a world-class UBC degree with a tight-knit and entrepreneurial community. As part of North America’s most international university, the campus is home to 9,000 students representing 98 countries.

On behalf of the Board of Directors,

VALENS GROWORKS CORP.

(signed) “Tyler Robson”
Chief Executive Officer

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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 "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" 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.