

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

December 14, 2017

Item 3 News Release

The news release dated December 14, 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

December 18, 2017

VALENS GROWORKS UPSIZES PRIVATE PLACEMENT

Vancouver, B.C., December 14, 2017 – Valens GroWorks Corp. (CSE: VGW) (the “Company” or “Valens”), a multi-licensed, vertically integrated provider of cannabis products, announces that is increasing its previously announced private placement to an offering of 2,000,000 units of the Company (the “Units”) at a price of \$1.00 per Unit for gross proceeds of up to \$2,000,000 (the “Offering”). Following the previously announced closed tranches totalling \$712,700, this increase will accommodate an additional \$1,287,300 as a potential final tranche. The Corporation intends to use the net proceeds from the Offering to advance the operations at its 17,000 sq.ft. facility in Kelowna and complete its initial cannabis crop. Remaining proceeds, if any, will be used for general corporate purposes.

Each Unit consists 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 are being 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 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 is Canadian publicly traded biotechnology company executing on its “plants to premium products” objectives through two wholly-owned subsidiaries, located at the Company’s expanding 17,000 sq.ft. facility on two acres in Kelowna, in the heart of British Columbia’s Okanagan Valley. Subsidiary Valens Agritech (“VAL”) is commencing cannabis production and sales under a Health Canada Dealer’s License, and is also a late-stage license applicant to cultivate medical marijuana under the ACMPR for individual patients. Subsidiary Supra THC Services (“Supra”) is a Health Canada licensed cannabis testing lab providing sector-leading analytical and proprietary services to Licensed Producers, ACMPR patients, and the natural health products industry.

Supra has partnered with Thermo Fisher Scientific to develop a “Centre of Excellence in Plant Based Medicine Analytics” in Kelowna, and both subsidiaries are involved in a collaborative research partnership with British Columbia-based universities UBC Okanagan and Thompson Rivers to explore the vast range of bioproducts that can be made from cannabis plant materials. A supply and sales agreement with Canopy Growth Corporation (TSX: WEED) provides for the distribution, marketing and sale of a portion of the Company’s branded products through Canopy Growth’s extensive CraftiGrow distribution network. For more information, please visit <http://valensgroworks.com>, <http://www.valensagritech.com> and <http://www.suprathc.ca>.

On behalf of the Board of Directors,

VALENS GROWORKS CORP.

(signed) “Rob van Santen”

Chief Financial Officer

For further information, please contact:

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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.