



V A L E N S

Valens GroWorks creates Valens Farms subsidiary, commences expansion under joint development partnership

VANCOUVER, April 11, 2018 /CNW/ - **Valens GroWorks Corp. (CSE: VGW)** (the "**Company**" or "**Valens**"), a multi-licensed, vertically integrated cannabis company specializing in extraction, processing and premium quality cultivation is pleased to announce the creation of a new subsidiary company, Valens Farms, to commercially produce premium quality specialty-strain cannabis using dedicated, sustainable monocropping technology, and to further expand our supercritical CO₂-extracted cannabis oil capacity.

"This is a pivotal initiative for the Okanagan Valley, for British Columbia, the Canadian cannabis sector, and our goal of providing premium cannabis and derivatives to the world's natural health products industry," said Tyler Robson, CEO of Valens GroWorks. *"We are very proud of what Valens Farms represents, as an important contributor to the local economy through investments and job creation, and as a partner in our previously announced Centre of Excellence in Plant Based Medicine Analytics initiative underway in nearby Kelowna."*

Valens Farms enters into Joint Venture with Kosha Projects Inc.

Valens Farms is pleased to announce that it has broken ground and initiated construction on a purpose-built \$75 million 400,000 square foot commercial cannabis production facility, being built in joint venture partnership with Kosha Projects Inc. ("**Kosha**"). The municipality of the City of Armstrong has approved the building of up to 851,200 square feet of greenhouse and indoor facilities, representing 40% site coverage on the 50-acre property currently owned by Kosha.

Ashley McGrath, President of Kosha states *"I feel very fortunate to have the opportunity to work with a company that is passionate about what they do, about the products they produce, and has a particular focus on innovation and value. Valens benefits from our real estate planning and development experience and as an off-balance sheet funding source, and we in turn participate in the exciting growth potential of this nascent industry."*

The joint venture partnership will see Kosha contribute the land and all facility development and construction costs and related expertise. Valens will provide design and outfitting inputs, budgetary guidance, consulting and advisory services during construction and development of the facility.

Valens Farms will operate the facility to commercially produce premium quality cannabis and expand the Company's supercritical CO₂-extracted cannabis oil capacity. Upon initial construction and development cost recoupment by Kosha, each of Valens Farms and Kosha are entitled to 50% of the revenues earned, and a 50% interest in all the assets connected therewith.

About Valens Farms

Valens Farms is a wholly-owned subsidiary established to develop purpose-built cannabis-specific facilities to enable sustainable closed-system premium hybrid cannabis production of our specialty strains, where Valens' Master Growers can control the fundamentals from day one, rather than converting a greenhouse built for other purposes.

The first initiative for Valens Farms is to complete a 400,000 square foot controlled-environment strain-segregated hybrid greenhouse as part of a large-scale indoor facility on the 50-acre property through its joint venture with Kosha. All-in development costs to Kosha are estimated at \$75 million. This property

also allows for additional expansion beyond the current 40% site coverage limitation should the City of Armstrong recognise cannabis greenhouse cultivation similarly to other crop greenhouse operations, currently allowed 75% site coverage. Also, once Health Canada approves outdoor cultivation as anticipated, significant additional cannabis under cultivation is enabled, unbounded by current site coverage restrictions, which provides the Company with increased control over cannabis supply dedicated to our extraction capacity. Valens Farms is positioning to be the first partnership to serve the international medical cannabis market as well as the upcoming adult use Canadian recreational market.

About Kosha Projects

Kosha's principal is Ashley McGrath who has been involved in real estate development for 14 years as the president and owner of Glencoe Developments Inc. He has overseen all facets of the development business from land acquisition, planning, construction, finance and sales for over 850,000 square feet of development space. He owns and oversees the management of a \$22.5 million rental portfolio of residential and commercial real estate. Mr. McGrath is also a shareholder in agribusiness operating over 400,000 square feet of indoor livestock production as well as a 23,000-acre grain farm.

About Valens GroWorks

Valens GroWorks is a multi-licensed, vertically integrated provider of Canadian cannabis products located in Kelowna, British Columbia. Subsidiary Valens Agritech has initiated cannabis production, processing and sales under a Health Canada Dealers Licence, which includes a supply agreement with Canopy Growth Corporation (TSX:WEED) under their extensive CraftGrow distribution network. Subsidiary Supra THC Services is a Health Canada licensed cannabis testing lab providing sector-leading analytical services and has partnered to develop a *Centre of Excellence in Plant Based Medicine Analytics*. 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) "Tyler Robson"
Chief Executive Officer

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.

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