

51-102F3 Material Change Report [F]

Item 1 Name and Address of Company

Genovation Capital Corp.
1400, 1040 West Georgia Street
Vancouver, BC V6E 4H1

Item 2 Date of Material Change

March 31, 2016

Item 3 News Release

The news release dated March 31, 2016 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Please refer to attached news release.

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, Asean Energy Corp.

Item 9 Date of Report

April 1, 2016

**GENOVATION CAPITAL COMPLETES BINDING AGREEMENT
TO ACQUIRE VALENS AGRITECH LTD.**

Vancouver, B.C., March 31, 2016 – Genovation Capital Corp. (CSE: GEC) (the “Company” or “Genovation Capital”) is pleased to announce that it has entered into a binding commitment letter (the “Commitment Letter”) with Valens Agritech Ltd. (“Valens”) in respect to the proposed business combination of the two companies (the “Valens Transaction”) first announced on December 11, 2015.

Valens is a privately held biotechnology company based in the Okanagan Valley of British Columbia, focused on the emerging Cannabinoid market. Valens is in the cannabis cultivation and research business, which includes the assets and improvements of a 17,000 sf research and development facility in Winfield, and anticipated approvals, upon inspection from Health Canada, for a controlled drug and substance dealer’s license (including the activities of cultivation, production (extraction), packaging, possession, sale, transportation, delivery and research). Valens has also entered into advanced negotiations with respect to a business arrangement with, and potential acquisition of a commercial scale plant biology company operating on 12 acres of Agricultural Land Reserve with an existing 12,000 sf greenhouse. The operation carries out commercial scale tissue culture and genetic replication and various research projects, including initiatives under Provincial and Federal research grants.

The proposed Valens Transaction is an opportunity for the Company to progress towards becoming a global, vertically integrated medical cannabis company. Genovation intends to acquire Valens concurrently with MKHS LLC, the subject of a binding commitment letter announced November 25, 2015. The Company may complete either transaction independently as logistics may dictate.

“We are excited to be working with Genovation and the team at MKHS in Arizona to further our vision for providing the purest strains of proprietary high-level-CBD, low-THC pharmaceutical product to some of the world’s top research facilities, as well as the rapidly growing natural health market”, said Tim Tombe, CEO of Valens, adding, “The synergies between our companies have already proven compelling. As medical trials increasingly prove the effectiveness of CBD materials in the treatment of some diseases, the industry will see explosive growth. Currently, there is no company in Canada legally capable of achieving genetically perfect, low-THC-value plants; we are poised to be that company”.

Further Information

Trading in the common shares of Genovation Capital was halted at the request of the Company on November 25, 2015 with the announcement of its binding agreement to acquire MKHS (the “**MKHS Transaction**”), and will remain halted until such time as all required documentation has been filed with and accepted by the Canadian Securities Exchange (the “**CSE**”). The Company has received preliminary CSE approval to consolidate its share capital on a one-for-three basis, anticipated to occur with the resumption of trading.

The Valens Transaction and the MKHS Transaction (collectively the “Transactions”) as proposed will each constitute a Fundamental Change pursuant to CSE Policy 8, whereby a major acquisition transaction results in a change of control, commonly referred to as a reverse take-over.

*Shareholders will be asked to approve the proposed Transactions following dissemination of the Company’s Management Information Circular, to be SEDAR filed and circulated to the shareholders of record as at March 24, 2016 (the “**Record Date**”) in early April. The Company has scheduled its annual general and special meeting (the “**Meeting**”) of Shareholders at 10:00 a.m. on April 29, 2016 which will include a proposed resolution to approve a one-for-three consolidation of the Company’s shares (the “**Consolidation**”).*

The principal features of the Valens Transaction may be summarized as set forth below, qualified in their entirety by reference to the full text of the Commitment Letter. The following matters are anticipated to be effected in connection with the Valens Transaction:

- 1. Valens will be a wholly-owned subsidiary of Genovation, a reporting issuer in the provinces of British Columbia, Ontario and Alberta;*
- 2. The Valens Transaction will be structured such that the shareholders of Valens shall receive pro rata thirty-six million (36,000,000) Genovation post-Consolidation common shares (the “**Purchase Price**” or “**Valens Transaction Shares**”) to own approximately 42% of the Resulting Issuer (including payment of 675,000 post-Consolidation share finders’ fees), assuming the concurrent or subsequent closing of the acquisition of MKHS, LLC or its C-Corp-reorganized equivalent;*

3. The net issuance in the aggregate of thirty-six million 36,000,000 post-Consolidation common shares to the shareholders of Valens shall vest (be considered earned, but still subject to escrow and pooling release agreements) substantially as follows, in any order of occurrence until all of the Valens Transaction Shares have vested:

- 30% of the Valens Transaction Shares shall vest immediately upon the closing of the proposed Valens Transaction;
- 60% of the Valens Transaction Shares shall vest upon the receipt by Valens of a License under the Controlled Drugs and Substance Act and its Regulations to cultivate and process marijuana for scientific purposes or upon Genovation, Valens and/or their affiliates obtaining the substantially equivalent rights or authorization;
- 10% of the Valens Transaction Shares shall vest upon the receipt by Valens of a License to Produce under the Marijuana for Medical Purposes Regulations (“MMPR”) or upon Genovation, Valens and/or their affiliates obtaining the substantially equivalent rights or authorization;
- 10% of the Valens Transaction Shares shall vest in the event that Genovation does not complete an initial \$1,200,000 financing within the later of 3 months after the Closing Date and September 30, 2016;
- additional potentially accretive acquisitions or cash flow generation initiatives, such as the proposed acquisition of the shares or assets of a commercial scale plant biology company or acquisition of another synergistic target company, that are completed by or through the efforts of Valens, will be rewarded through immediate vesting of a portion of the remaining unvested shares, as approved by the new board of Genovation from time to time, in proportion to that acquisition’s assessed projected contribution to free cash flow when compared to that projected from the expected licensing initiatives in the first full year of operation; and
- all shares representing the Purchase Price which have not otherwise been released from escrow shall be released thirty-six (36) months after the Closing Date subject to the ability of the board of directors of Genovation to determine prior to the 36-month anniversary of the Closing that it wishes to divest itself of its interest in Valens by way of spin out, in which case the parties agree that the unvested Valens Transaction Shares of Genovation shall be deemed to have vested for the purposes of determining the number of shares of Valens to be issued to the shareholders of Genovation in connection with the spin-out.

4. upon completion of the Transactions, the board and management of Genovation will consist of two appointees from Valens (and two appointees from MKHS LLC when that acquisition is completed) and one appointee of Genovation, or up to three nominees of Valens, three nominees of MKHS, and two appointees of Genovation.

About Genovation Capital Corp.

The Company has been actively seeking business opportunities offering near term cash flow potential as a means to create shareholder value. The Company divested its primary business interests in March 2015 via a Plan of Arrangement, creating three stand-alone “Reporting Issuers” through the distribution of their shares to Company shareholders. The Company maintains a minority investment in a Malaysian-based operation providing onshore and offshore oilfield services, and inspection and asset integrity management solutions. Further information is available on the Company website at <http://www.genovationcapital.ca/>, on the CSE website at <http://www.cnsx.ca/>, and through its SEDAR filings.

ON BEHALF OF GENOVATION CAPITAL CORP.

(signed) “Robert van Santen”

Chief Executive Officer

For further information, please contact:

Genovation Capital Corp.

Greg Patchell, Manager, Public Relations

Telephone: +1.250.860.8634

Cautionary statements

This press release contains forward-looking information based on current expectations. Statements about the closing of the Transaction, expected terms of the Transaction, the number of securities of Genovation Capital that may be issued in connection with the Transaction, the ownership ratio of Genovation Capital post-closing, the requirement to hold shareholder approval and the parties’ ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that one

or both Transactions will occur or that, if a Transaction does occur, it will be completed on the terms described above. Genovation Capital assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.