

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

April 4, 2017

Item 3 News Release

The news release dated April 4, 2017 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Name Change.

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, Valens Groworks Corp.

Item 9 Date of Report

April 4, 2017

**VALENS GROWWORKS TO ACQUIRE ROYAL GREEN ACRES, A LATE-STAGE CANNABIS LP
APPLICANT UNDER HEALTH CANADA'S ACMPR**

Vancouver, B.C., April 4, 2017 – Valens GroWorks Corp. (CSE: VGW) (the “Company” or “Valens”) has entered into a letter of intent (“LOI”) to acquire 100% of a late stage applicant under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”). Royal Green Acres Manufacturing Ltd. (“RGAM”) is currently in active final review stage with Health Canada for an application submitted in August 2013.

Under the terms of the LOI, entered into on April 3, 2017, the Company will assume 100% of the costs and related expenses to complete the pre-inspection readiness of the RGAM site (the “Buildout”) such that RGAM becomes a Licensed Producer of Marijuana for Medical Purposes.

Phase 1 of the proposed Buildout is a 50,000 square foot, indoor, state-of-the-art, medicinal cannabis production and processing facility located on 5 acres just outside Nanaimo, British Columbia. The RGAM business model proposes selling a minimum 7 different consistent strains of organic, high-quality medical Marijuana with industry-leading percentages of active medical THC and CBDs, that address different ailments that prescribe the use of medical marijuana.

Upon completion of the proposed acquisition (the “Close”), current RGAM shareholders (“RGAM Vendors”) will be issued 1.6 million Company shares at a deemed price of \$1.25 per share, subject to the terms of a 36-month escrow agreement, and \$500,000 cash, for 100% of RGAM. RGAM will thereby become a wholly-owned subsidiary of Valens. The company will pay a 2.5% finders fee through the issue of 50,000 Company shares to an unrelated party, also subject to escrow terms.

Upon the Close, RGAM Vendors are entitled to appoint a founder as RGAM’s senior executive under a 2-year Executive Services Agreement, who shall be granted 500,000 share purchase options at the Close.

RGAM will grant a Purchase Option to the Company at a maximum price of \$900,000 on the existing Buildout site, and will be granted a Right of First Refusal on two adjacent properties for additional expansion purposes.

Assuming the Company receives regulatory approval under Phase 1 to produce its forecasted capacity of up to 33,250 pounds per year, it will be among the leaders in the industry.

Rob van Santen, CEO, stated: “This acquisition allows us to fast-track our P2P ‘Plants to Premium Products’ strategy of scalable wholesale and medicinal cannabis production capacity. According to a recent report from the consulting firm Deloitte, the Canadian retail cannabis market is projected to be between \$4.9 billion and \$8.7 billion annually. Deloitte estimates that satisfying the recreational cannabis market will mean producing 600,000 kilograms of marijuana annually – far more than the existing licensed producers under the ACMPR grow for medicinal purposes. With the acquisition of Supra THC Services, an accredited analytical services and research facility and Health Canada Licensed Dealer, and Valens Agritech, a post-inspection Dealer’s Licence-applicant, the Company is well-positioned for commercial-scale specialty-strain extraction and supply, and the servicing of high-margin specialty cannabis and natural health product markets as full legalization draws near.”

The acquisition of RGAM is subject to regulatory approval and standard closing conditions, including the approval of a definitive Share Acquisition Agreement by the directors of the respective parties and completion of due diligence investigations to the satisfaction of each of the parties.

There can be no assurance that the proposed acquisition will be completed as proposed or at all. The Canadian Securities Exchange has in no way passed upon the merits of the Acquisitions and has neither approved nor disapproved the contents of this press release.

About Valens GroWorks Corp.

Valens GroWorks Corp is a Canadian Securities Exchange listed company with an aggressive acquisition strategy in progress, providing management, consulting, testing and support services to domestic and international licensees, as well as financing the buildout of established, fully-licensed operations pursuant to its investment in Arizona. The Company seeks to capture a broad spectrum of medical marijuana users, as well as recreational users once legalized, in pursuit of its ambitious seed to sale and farm to pharma objectives.

The Company’s wholly-owned subsidiary, Valens Agritech Ltd. (“VAL”), is a post-inspection applicant awaiting the granting of a Controlled Drugs and Substances Dealer’s Licence for the cultivation and processing of marijuana. Based in the Okanagan Valley of British Columbia, VAL anticipates participation in selective clinical trial programs researching the efficacy of medical cannabis.

The Company expects to close the previously announced acquisition of Supra THC Services Inc. (“Supra”) today, which becomes a wholly-owned subsidiary. Supra holds a Health Canada Dealer’s Licence and is providing sector-leading analytical services for Licensed Producers and ACMPR patients.

On behalf of the Board of Directors,

VALENS GROWORKS CORP.

(signed) "Robert van Santen"

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.