



**For Immediate Release**

**March 11, 2016**

## **GENOVATION CAPITAL PROVIDES CORPORATE UPDATE, SETS AGM DATE**

**Vancouver, B.C., March 11, 2016 – Genovation Capital Corp. (CSE: GEC)** (the “Company” or “Genovation Capital”) provides an update on progress towards its proposed acquisitions of MKHS, LLC (“MKHS”) and Valens Agritech Ltd. (Valens”). Genovation Capital intends to acquire all of the issued and outstanding securities of MKHS and Valens in exchange for securities of Genovation Capital (the “Transactions”).

### ***MKHS, LLC***

MKHS is a vertically integrated, fully licensed, Arizona-based cannabis cultivation, extraction and medicinal dispensary business. MKHS operates an 11,000 sf warehouse cultivation, commercial kitchen and extraction facility, and separate 3,000 sf automated greenhouse on a 9.5 acre site zoned for expansion to 100,000 sf. The company operates two state-licensed “healing center” dispensaries, supplying medical marijuana pursuant to the Arizona Medical Marijuana Act, and distributes its own in-house prepared, branded line of edibles, concentrates and extracts.

Genovation Capital recently closed a US\$450,000 convertible debenture issue and US\$500,000 private placement of shares to fund MKHS’ expansion plans, including securing under option the purchase of real estate underlying existing operations, and the construction and operational set up of a 29,000 sf greenhouse facility on the 9.5 acre property. To date, approximately US\$1,177,500 has been advanced to MKHS directly through Genovation’s funding efforts, with a further US\$235,000 expected to be released over next week, in satisfaction of the Company’s pre-acquisition obligations.

All advances to MKHS by the Company are secured and collateralized through equal participation by the Company in the expanded operations for a minimum two year period and twelve complete harvests therefrom, pending the successful closing of the reverse takeover of MKHS by Genovation Capital.

MKHS continues working with their legal and accounting consultants to provide Genovation with the required regulatory disclosure in order for Genovation Capital to present the proposed acquisition of MKHS to its shareholders in an Information Circular.

### ***Valens Agritech Ltd.***

Valens is a privately held biotechnology company based in the Okanagan Valley of British Columbia, focused on the emerging Cannabinoid market. Valens has represented that it 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.

Valens is undergoing an audit by Genovation Capital's auditors, Davidson & Company LLP, and working with their legal consultants to provide Genovation with a definitive agreement and the required regulatory disclosure to Genovation Capital's shareholders in an Information Circular.

#### ***Resignation of Director***

The Company announces that Wayne Koshman has resigned as a director of the Company to pursue other opportunities. The Company would like to thank Mr. Koshman for his contributions to the Company.

#### ***Annual General and Special Meeting***

A Notice of Annual General and Special Shareholders Meeting (the "**Notice**") has been filed and an Information Circular to Shareholders will be distributed 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.

#### ***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, 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 received preliminary CSE approval to consolidate its share capital on a one-for-three basis, anticipated to occur with the resumption of trading.

The Transactions with MKHS and Valens 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 Information Circular, to be SEDAR filed and circulated to shareholders in advance of special meeting of shareholders. Investors are cautioned that, except as disclosed in the Management Information Circular, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon.

#### ***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 several 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

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#### 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. The terms described above are not binding unless and until a Definitive Agreement is signed. 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.