



*THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES*

**For Immediate Release**

**December 20, 2016**

## **VALENS GROWORKS CLOSSES FIRST TRANCHE OF OFFERING**

**Vancouver, B.C., December 20, 2016 – Valens GroWorks Corp. (CSE: VGW)** (the “**Company**”) is pleased to announce it has closed 994,576 units (the “**Units**”) for proceeds of \$646,475, the first tranche of its non-brokered private placement to raise up to \$1,300,000 at a price of \$0.65 per Unit (the “**Offering**”), as announced on November 30, 2016.

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 \$1.15 for a period of 12 months from the closing of the Offering, subject to the acceleration provision described below. The Units are 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 \$1.65 for ten consecutive trading days after the hold period on the Common Shares has expired.

Insiders subscribed for an aggregate of 550,000 Units. The Company intends to use the proceeds of the Offering for security upgrades and equipment purchases by wholly-owned subsidiary Valens Agritech Ltd., to repay debt and supplement general working capital.

The Company may pay a finder’s fee on the Offering within the amount permitted by the policies of the CSE. Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the CSE. All securities issued pursuant to this private placement are subject to a hold period expiring four months and one day from the date of issuance. The Company expects to close the second and final tranche on or about January 9, 2017.

### **Stock Options**

The Company has cancelled 50,000 of the incentive stock options announced on November 30, 2016, granted to a proposed consultant of the Company subsequently not engaged. The stock options were granted pursuant to the terms of the Company’s stock option plan subject to regulatory approval.

### **About Valens Groworks Corp.**

The Company recently completed the acquisition of Valens Agritech Ltd. (“**VAL**”). VAL is a biotechnology company based in the Okanagan Valley of British Columbia, focused on cannabis cultivation and research,

with assets and improvements that include a state-of-the-art 17,000 square foot R&D facility located in Kelowna, British Columbia.

VAL is currently awaiting final inspection, scheduled for the week of January 9, 2017, by the Regional Inspectorate of the Office of Controlled Substances of Health Canada for a Controlled Drugs and Substances Dealer's Licence (including the activities of cultivation, production (extraction), packaging, possession, sale, transportation, delivery and research). Valens anticipates participation in several clinical trial programs researching the efficacy of medical cannabis for certain indications, seeks to capture of a broad spectrum of medical marijuana users, and recreational users once legalized.

**On behalf of the Board of Directors,  
VALENS GROWORKS CORP.**

(signed) "Robert van Santen"  
Chief Executive Officer

**For further information, please contact:**

Greg Patchell  
Telephone: +1.250.860.8634

Cautionary statements

This press release contains forward-looking information based on current expectations. Statements about the Company's expectations 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. Valens Groworks 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 (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. We seek safe harbor.