



V A L E N S

For Immediate Release

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## VALENS GROWORKS FINALIZES GREENHOUSE EXPANSION PLANS

**Kelowna, B.C., June 20, 2018 – Valens GroWorks Corp. (CSE: VGW)** (the “Company” or “Valens”), a multi-licensed, vertically integrated provider of cannabis products and services utilizing proprietary extraction processes, is pleased to provide an update on subsidiary Valens Farms’ state-of-the-art, purpose-built 400,000 sq ft, expandable (to 800,000 sq ft) cannabis cultivation and production facility, currently under development.

*“I am extremely excited to confirm the following highlights and key participants brought together to complete the Valens Farms facility.”* said Tyler Robson, Valens CEO. *“The intent is to build a facility nothing short of world-class as Valens continues to evolve into a vertically-integrated provider of Valens-branded cannabis consumer products with the ability to quality control every batch of input.”*

**About Valens Farms** - \$75,000,000 joint venture development of prime acreage with a purpose-built, state-of-the-art, European GMP-certified cultivation center within the municipality of the City of Armstrong.

- Phase 1 buildout to 400,000 sq ft (permitted for up to 800,000 sq ft);
- Zero cash outlay for Valens, with Kosha contributing 100% of land, building and equipment costs;
- All hard assets will be split 50/50 between Kosha and Valens, thereby providing \$37.5 million of net assets to Valens’ balance sheet with no cash outlay or liability incurred;
- Valens’ current Dealers License and GMP-certified facility in Kelowna is leveraged through Valens Farms’ production, enhancing opportunities to export cannabis products internationally;
- Initial crop planting at joint venture facility is expected in Q4 2018, with Valens and Kosha to split profits on a 50/50 basis following cost recovery by Kosha;
- Valens Farms is expecting Phase 1 production of up to 56,000 kg per year of premium monocrop cannabis, primarily for extraction purposes. Monocropping minimizes grow time, allows greater crop turnover, and is expected to enhance profit margins;
- Subsidiary Valens Agritech will extract cannabis all produced at Valens Farms for further processing into higher-margin Valens-branded products for medical, as well as the expected recreational cannabis markets in Canada and internationally.

Valens Farms has contracted a proven, professional team to help reach its objective of capitalizing on a systematic and efficient growing approach that enhances productivity and efficiency and reduces waste and maintenance costs in comparison to a retrofitting of existing buildings approach.

In addition to the specific contributions and skillsets of each of the partners, the following are some of the key contributors to the Valens Farms buildout:

- **Nexus Greenhouse Systems** is an industry leader in greenhouse construction, with 50 years of in-house engineering experience and the successful installation of many cannabis greenhouse projects all over North America. Their System 420™ hybrid greenhouses offer engineering excellence and high-quality design. Greenhouse growing allows Valens Farms to maximize the use of natural sunlight along with supplementary lighting to grow vigorous, lush crops while reducing production utility bills by up to 75%.
- **DIRTT Environmental Solutions** is designing and constructing the headhouse. They are known for constructing quality special-purpose interiors efficiently, which conforms to our aggressive build-out strategy and GMP certification process. The headhouse will be fully integrated with our automated intelligence systems, providing the ability to maintain perfect environmental control within dedicated drying/curing and product storage rooms.
- **Argus Controls** is providing an advanced environmental control system customized to our requirements, and adaptable to changing needs, enabling our team to set and maintain optimal conditions to efficiently and consistently grow cannabis of the highest quality.
- **Dramm Corporation** is providing fully automated irrigation systems with the ability to precisely fertigate our plants multiple times a day, substantially reducing the cost of labor. Utilizing Dramm's option for water reclamation, we will minimize costs as well as our environmental footprint.
- **PIPP Horticulture** has been contracted to provide solutions that maximize our grow space by taking advantage of generally unused vertical square footage, particularly in our mother and vegetative grow rooms.
- **Hove's Canna Gutter Bench** is providing additional solutions to help maximize grow space and work efficiency through the aid of rolling benches, taking usable grow space from 60% to as much as 90% while significantly aiding workers' flow and ergonomics.

### **About Valens GroWorks**

Valens GroWorks Corp. is a vertically integrated provider of Canadian cannabis products developed from our proprietary extraction techniques, with three wholly-owned subsidiaries located in and around Kelowna, BC. Subsidiary Valens Agritech has initiated cannabis production, processing and sales under a Health Canada Dealer's Licence, which includes a supply agreement with Canopy Growth Corporation under their extensive CraftGrow distribution network. Subsidiary Supra THC Services is a Health Canada licensed ISO 17025 accredited cannabis testing lab providing sector-leading analytical services and has partnered with Thermo Fisher Scientific to develop a Centre of Excellence in Plant Based Medicine Analytics. Subsidiary Valens Farms is in the process of becoming a purpose-built facility in compliance with European Union (EU) Good Manufacturing Practices (GMP) standards, ensuring the product from this facility can be exported anywhere in the world where Cannabis is nationally legal for medical or adult usage purposes. For more information, please visit <http://valensgroworks.com>, <http://www.valensagritech.com> and <http://www.suprathc.ca>.

### **About Kosha Projects**

Kosha's principal, Ashley McGrath, 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.

### **For further information, please contact:**

Scott Young  
Telephone: +1.705.888.2756

## 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.

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