



December 1, 2017

For Immediate Release

VALENCIA ENTERS INTO AGREEMENT TO ACQUIRE EARTHRENEW, AN ORGANIC MATTER FERTILIZER COMPANY

Toronto, Ontario – Valencia Ventures Inc. (TSXV: VVI.H) (“**Valencia**” or the “**Company**”) has entered into an agreement to acquire all of the outstanding equity securities of 2292055 Ontario Inc. (“**EarthRenew**”), which carries on business under the name “EarthRenew”.

EarthRenew is a Canadian company that sells high value concentrated organic fertilizer from animal manure, providing an environmentally friendly waste management solution for high intensity livestock farming. These high intensity livestock operations are under significant regulatory and consumer pressure to find viable approaches to managing their waste by-product.

EarthRenew has a full scale commercial facility located on a 35,000 head cattle feedlot in Strathmore, Alberta and an offtake agreement for retail and wholesale distribution of its product in Canada and the United States through SunCountry Farms. EarthRenew is in advanced discussions with several potential host sites to build additional production plants in Europe and North America.

The unique EarthRenew conversion process capitalizes on the high temperature exhaust from an on-site natural gas-fired turbine for the thermal processing of fresh manure. EarthRenew’s concentrated organic granular fertilizer, which is certified organic in both Canada and the United States, efficiently improves soils, removes pathogens, pharmaceutical residue and weeds from manure while enhancing nutrient uptake. The granular product is the ideal fertilizer for use in home gardens, organic farming,

commercial marijuana cultivation, turf and in municipal areas subject to chemical fertilizer bans or restrictions.

In addition to producing in-demand organic fertilizer, EarthRenew's technology applies the hot exhaust from a four Megawatt rated industrial natural gas turbine directly to heat processing while the turbine generates electricity. Excess electricity can be sold to the municipal grid or other end users, thereby offsetting a significant portion of the cost of the gas used to run the plant.

The economics of an EarthRenew plant are bolstered further as the plant receives tipping fees from local farmers and communities. The EarthRenew plant is a proven waste management solution that addresses the significant manure handling issue faced by most high intensity livestock farmers and produces a high quality organic fertilizer.

The Transaction

Valencia has entered into an amalgamation agreement with EarthRenew and a newly-incorporated, wholly-owned Valencia subsidiary, dated December 1, 2017 ("**Agreement**"), pursuant to which Valencia will acquire all of the issued and outstanding shares of EarthRenew (the "**Transaction**"). It is expected that the Transaction will be effected by way of a three-cornered amalgamation pursuant to which a wholly-owned subsidiary of Valencia will amalgamate with EarthRenew, and all of the holders of shares of EarthRenew will receive one Valencia common share for each EarthRenew common share held. Following completion of the Transaction, the newly amalgamated company, which will hold all of EarthRenew's assets will be a wholly-owned subsidiary of Valencia.

Valencia currently has 19,819,647 common shares and 1,306,250 stock options issued and outstanding. EarthRenew has 55,000,000 common shares and 4,000,000 stock options (exercisable at \$0.25 at any time prior to July 18, 2021). The Company anticipates that immediately following the Transaction there will be 70,819,647 common shares and 4,306,250 stock options of the combined company issued and outstanding, with current Valencia shareholders holding in aggregate approximately 28% of the outstanding shares.

The Transaction will constitute a Reverse Takeover and a Change of Business for the Company under the policies of the TSX Venture Exchange (the "**Exchange**"). If required pursuant to Exchange Policy 2.2, the Company will retain a sponsor in connection with the Transaction.

Although Ryan Ptolemy is considered to be a Non-Arm's Length Party to the Transaction as he is the Chief Financial Officer of each of Valencia and EarthRenew, the Transaction constitutes an Arm's Length Transaction as defined by the policies of the TSX Venture Exchange (the "TSXV"). Valencia and EarthRenew are not paying any finder's fees in connection with the Transaction.

Upon completion of the Transaction, it is anticipated that Mr. Keith Driver will become President and Chief Executive Officer of Valencia and David Argyle will join the board of directors as Chair. Brief biographical information for Messrs Driver and Argyle is below.

- David Argyle, Chair – Mr. Argyle has more than 30 years of experience in identifying, developing, financing and managing fertilizer, mining and energy projects in South America, Asia, Africa and Australia. David earned a MBA from the University of Michigan and holds a Bachelor of Commerce from the University of Western Australia.
- Keith Driver, CEO & Director – Mr. Driver has served in leadership positions in several environmental technology companies over the past 15 years. His experience includes senior marketing, technical and management roles, focused on emerging products or technologies. Many of these opportunities have focused on processing organic feedstocks and marketing the end-products, such as compost and biochar. Keith holds two degrees in engineering and a MBA, and serves as a sessional instructor at the University of Calgary.

Additional information about the Transaction will be provided in future press releases.

About EarthRenew

EarthRenew is a Canadian company that produces high value concentrated organic fertilizer from animal manure, providing an environmentally friendly waste management solution for high intensity livestock farming. EarthRenew has a commercial facility located on a cattle feedlot in Strathmore, Alberta and an offtake agreement for retail distribution of its product in Canada and the US. EarthRenew's concentrated organic granular fertilizer efficiently improves soils, removes pathogens, pharmaceutical residue and weeds from manure while enhancing nutrient uptake. The granular product is the ideal fertilizer for use in home gardens, organic farming, marijuana cultivation, turf and in municipal areas subject to chemical fertilizer bans or restrictions.

For additional information, please contact:

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About Valencia

Valencia is a Canadian resource company with common shares that trade on the NEX Board of the TSX Venture Exchange under the symbol VVI.H.

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Forward - Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the timing and implementation of the Transaction, the satisfaction of all conditions precedent, receipt of any required third party and regulatory approvals, the impact of the Transaction on the Company and its stakeholders and other Transaction statements. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of exploration activities; regulatory risks; risks inherent in foreign operations; and other risks of the oil and gas industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Valencia should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release