



ALLIANCE GROWERS CORP.

NEWS RELEASE

ALLIANCE GROWERS SECURES BINDING LOI FOR A COUNTRY WIDE PERMIT TO GROW AND EXPORT MEDICAL CANNABIS FROM WEST AFRICA

February 7, 2020 – Vancouver, BC – Alliance Growers Corp. (CSE: ACG; FWB:1LA; OTCQB: ALGWF) (“Alliance Growers” or “the Company”) reports that the Company has entered into a Binding Letter of Intent, expanding its opportunity in West Africa from a 10 acre farm-in sub permit announced on June 26, 2019, to securing the rights to cultivate country wide, allowing Alliance to offer “10 acre farm out parcels” to other cannabis companies, as well as operating its own 10 acre farms

By way of the Binding LOI with Green Ocean Organics Ltd., the Company will control the Permit that allows Alliance Growers to cultivate, process, package and export all CBD, medical cannabis, extracted oils and related pharmaceutical products in an African country, which will be announced in 1st quarter 2020 pre the planting period of April 2020. The initial acreage granted is 50 acres for 2020, increasing on a 5-year Ministry agreement.

Extensive Due Diligence and All-encompassing Approach

Alliance Growers previously announced on June 26, 2019 that the Company had negotiated a farm-in agreement for an initial 10 leased acres requiring an investment of an estimated CAD\$1.6 Million payable over the first full year of cultivation, producing an estimated potential annual net return of CAD\$5.1 Million based on current forecasted costs and a significant discount to EU sales prices, to be conservative.

Since then, the Company has performed extensive due diligence, learning from the study and observation of other companies who have invested in Africa. We aim to be successful due to our all-encompassing approach. We start with working with the government to secure certification from the World Health Organization and the International Narcotics Control Board to assure the ability to export the product to countries that allow import of medical cannabis. The Company will sponsor the Ministry approved program to GACP, GMP and GDP certify all products grown and exported from the country with our German off-take partners.

Terms of the Binding LOI

The Binding LOI is between Alliance Growers, and Green Ocean Organics Ltd. (GOO), a private arms-length company, and a private African company, Global Medicinals SL Ltd & Partners (GM), and its major shareholder (KP).

GM holds, from the country’s Minister of Public Health, in consultation with the Minister of State and the Minister for the Interior, Safety, Decentralization, Current and Religious Affairs, a permit (the “Permit”) for the exploration, cultivation, production, storage, transportation and exportation of seeds and medicinal plants containing THC, CBD and their derivatives. GM and GOO have signed an agreement granting GOO the rights to develop, or otherwise commercialise the Permit. GOO will assist Alliance Growers in developing the Permit for the cultivation, production, harvesting, processing, marketing and export of cannabis specifically for medicinal and scientific purposes.

Subject to the completion of a Definitive Agreement, KP, the Major Shareholder of GM, and Timothy Rogers the major shareholder of GOO have agreed to sell and transfer to Alliance Growers 70% shares of GM on the terms and conditions of the LOI in consideration of the issuance of 25,000,000 common

shares of Alliance Growers equal to \$2,500,000, at a deemed value of 10c per share.

Targeting Revenue in Q3 2020

The first crop will be planted in late March or early April 2020 with the intention of harvesting the crop in or about October 2020. 15,000 cannabis seeds will be planted on each 10-acre lot provided to Alliance Growers, requiring an investment of an estimated CAD\$1.6 Million payable over the first full year of cultivation. Concurrently, the Company will initially develop processing facilities for supplying extracted oil to be completed by the fall of 2020 at an estimated cost of \$500,000 which will be 50% funded by African investors. Future products are expected to include dried flower, biomass and 1st phase extracted oils and resin, depending upon customer requirements and market development, with the target market focus being European pharmaceutical.

By way of acquisition of 70% of GM, Alliance Growers will receive 70% of the proceeds from each harvest, with 30% being mandatory national content under the terms of the Permit. In addition, Alliance Growers plans to offer sub-permit acreage each year to other medical cannabis companies seeking to grow low cost, high margin EU GMP certified product for export to their own customers on a managed cultivation or self-managed contract.

Commenting on securing this Permit opportunity, Dennis Petke, President and CEO of Alliance Growers stated, "Our nine months of due diligence and fact-checking has paid off, allowing us to secure a tremendous opportunity in Africa. We developed our approach to this opportunity in large part by learning from the trials and tribulations of others over the last two years. This is the first opportunity that has met the criteria we searched for in an international medical cannabis opportunity: low cost jurisdiction, partners with operational expertise on the ground, and experts in the application and approval for German certification of medical cannabis combined with a ready-market. We are extremely fortunate to have funders from the US, Canada and the UK interested in funding this 2020 revenue opportunity as well as obtaining sub-permit farm-in acreages. In addition to medical cannabis, we are very excited to be able to add an Agro-Parma Permit and provide Plant Based Medicine beyond cannabis. Enthusiasm towards this opportunity is reflected by the fact that some Directors have personally provided funds over the past 6 months to bring the project to contractual fruition. Management is committed to making 2020 a turn-around year for Alliance Growers, with the intent of benefiting all stakeholders.

Entitled to Grant Sub Permits

Under this agreement, Alliance Growers is entitled to grant sub-permits to other medicinal cannabis companies within their allocated acreage. These companies can sell their product independently, or they can be integrated into the Alliance Growers sales chain, but any product must meet the minimum standards for cultivation of cannabis established by the Company.

Ready Market with Off-take German Partners

The exclusive Permit has been secured through a GM, private African company, enabling Alliance Growers to grow, process, package and export CBD, extracted oils, medical cannabis and related pharmaceutical products from the country. Through this Permit, the Company expects and aims to be the lowest cost, high volume, quality certified raw material producer from an INCB compliant country in Africa to the EU medical marijuana market. The agreement includes an off-take agreement with GM's German partners to purchase the bulk of the product produced. The remaining product will be sold into the international marketplace at competitive prices that is expected to yield significant profit. The geographic location is ideal, with the requisite sunshine and rainfall, tested and suitable soils, plus natural water readily available. Labour and taxes have been set in all the locations at some of the lowest levels seen globally, and logistics are secure and transparent.

Option to Acquire Agro-Pharma Permit

In addition to the Binding LOI for cannabis cultivation, Alliance Growers has first right of refusal to secure additional land in Africa under an Agro-Pharma permit, with an emphasis on Psilocybin for medical purposes. Modern Medicine now tends to use the active ingredients of plants rather than the whole plants where the phytochemicals may be synthesised, compounded or otherwise transformed to make pharmaceuticals. These ingredients, formulated for medical use as well as health food and sports supplements, will complement our cannabis platform with economic benefits realized under a cost sharing model. The Company is in the process of negotiation terms with GOO regarding territory, consideration to be paid, operational responsibilities and cost sharing.

International Compliance and Quality Control Testing

Only products grown under the auspices of an accredited certification body, with importing Government supervisions in a country recognized by the International Narcotics Control Board as being compliant, will be considered for purchase by EU medical cannabis buyers. Testing of all products for export will be conducted post-harvest and approved pre-export. Alliance Growers is currently in negotiations with a US company with a patented cannabis testing technology for compliance and for quality control. Most companies that offer testing services do not have a patented process and may find themselves in violation of these patents. This is what will give Alliance Growers the leading edge on cannabis testing with the exclusive rights to market and provide testing services in Canada with their technology. We will also be able to utilize the technology on favourable terms with our International operations.

Economic Development

In entering into this agreement, Alliance Growers recognizes that the country in which the business will be undertaken, as with most potentially emerging nations, is focused on “economic development.” To that end, Alliance Growers is intent upon using local labour, not only for the manual labour required on the land, but also in such areas such as security and day to day management. It is the Company’s hope that this project will provide both a return on investment for shareholders and assist the country in pursuing local economic development.

“Africa hasn’t developed better agricultural programs yet because lessons needed to be learned and attitudes need to change in order for compliance and certification to enable best practice cultivation. We have taken our time developing programs to start in 3 chosen and supportive West African countries, and our team is truly international, highly qualified, ethical and supportive of our aims in West Africa.” Winifred Boyah, General Manager Global Medicinals SL Limited.

“The climate, the labor, the vast internal resource means that Guinea is perfectly placed in 2020 to step away from the past and produce high quality regulated cultivated products for Europe and North American Health supplement and pharmaceutical markets. There is a new African business model, one which highlights compliance, regulation, security, transparency, partnership and that is what we are doing in Guinea with Green Ocean Organics”. Diallo Abdrahmane. General Manager Global Medicinals Guinea Limited.

“There is a reason why Cannabis hasn’t been grown and exported successfully from developing nations to the wider regulated pharmaceutical market, and that is down to the dated business transactions carried out by companies who don’t understand the developing world. Exploiting the potential of the natural resource from a developing nation needs to be a partnership in 2020, where the agreements, finance, ownership and business plan are transparent. That is where Green Ocean Organics sits, and that is what has been embraced by our partners in Africa on all levels.” Timothy Rogers, CEO, Green Ocean Organics Ltd.

Financing in conjunction with Agreement

The Company is in advanced discussions with several groups from the US, Canada and the UK interested in funding short-term revenue objectives, and sub-permit acreage. Funders have expressed a desire to support Alliance Growers throughout the permit term and beyond.

Under the terms of the Agreement, upon completion of the filing of Audited Financial Statements and the rescission of the cease Trade Order, Alliance Growers will issue a total of 25 million shares at a deemed value of \$0.10 per share to the private company as consideration for the acquisition of 70% of the shares of the African company which has been granted the aforementioned Permit.

Alliance Growers has been granted an exemption by the Canadian Securities Exchange regarding its minimum pricing policy. Accordingly, in conjunction with the Agreement and upon completion of the filing of Audited Financial Statements and the rescission of the cease Trade Order, Alliance Growers will undertake a private placement financing of up to \$150,000 by way of issuance of up to 6 million Units at a price of \$0.025 per Unit. Each Unit is comprised of one common share and one half-share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 per share, for a period of two years. The warrants are subject to an acceleration clause after the resale restrictions on the shares have expired. The expiry time of the warrants may be accelerated if the Company's shares trade at or above a weighted average trading price of \$0.15 per share for 10 consecutive trading days. Finders fees may be payable on portions or all the financing, at the rate of up to 10% in cash.

Subsequent News Release

The Company will disseminate a subsequent news release upon closing of the transaction that will provide further disclosure including: the name of the African jurisdictions and where the private company is licensed; further information relating to the private company; biographies on the management and directors of the private company; and the details of the proposed financing to be completed for the transaction.

About Alliance Growers Corp.

Alliance Growers is a Diversified Global Medical Cannabis Company driven by the Company's 'Four Pillars' Organization Plan – Cannabis Biotech Complex (products and services to cultivators), Strategic Investments in Cannabis Cultivators, CBD Oil Supply and Distribution, and Research and Technology.

Alliance Growers is working with Pharmagreen Biotech Inc. to jointly develop and operate a 63,000-square foot Cannabis Biotech Complex, to be the first of its kind in Western Canada to house a DNA Botany lab, CBD extraction facility and Tissue Culture Plantlet Production facility to service the Cannabis market and agriculture market in general.

For further information, please visit the Company's website at www.alliancegrowers.com or the Company's profile at www.sedar.com.

If you would like to be added to Alliance Growers' news distribution list, please send your email address to newsletter@alliancegrowers.com.

For more information contact:

Dennis Petke
CEO, President and Director
Tel: 778-331-4266
DennisPetke@alliancegrowers.com

Rob Grace
Communications Consultant
Tel: 778-998-5431
RobDGrace@gmail.com

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This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, the news release contains forward-looking statements and information relating to Company's corporate strategy. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company, including, without limitation, the Company's ability to carry out its business plan. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the Company's ability to identify and complete additional suitable acquisitions to further the Company's growth as well as risks associated with the medical marijuana industry in general, such as operational risks in development and production delays or changes in plans with respect to development projects or capital expenditures; the uncertainty of the capital markets; the uncertainty of receiving the required licenses, production, costs and expenses; health, safety and environmental risks; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of the potential market; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and regulated regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.