



NEWS RELEASE

ALLIANCE AND PHARMAGREEN CANNABIS BIOTECH COMPLEX ADVANCE HEALTH CANADA APPLICATION

January 9, 2019 – Vancouver, BC – Alliance Growers Corp. (CSE: ACG; FWB: 1LA; WKN: A2DFYX; OTCQB: ALGWF) (“Alliance Growers” or “the Company”) is pleased to announce that the migration to Health Canada's Cannabis Tracking and Licensing System, or CTLS has been completed. The CTLS is Health Canada's worldwide web portal that enables the submission of new license applications, request for amendments and license renewals in addition to submission of monthly tracking reports. The Cannabis Biotech Complex is being jointly developed by Alliance Growers Corp. and Pharmagreen Biotech Inc. (“Pharmagreen”) (OTC Venture: PHBI).

To date, Alliance Growers has invested \$1,350,000 toward the acquisition of a 30% interest in the Cannabis Biotech Complex transaction with a further payment of \$150,000 payable on or before January 31, 2019, for a total investment of \$1,500,000, representing the first milestone which guarantees Alliance Growers a 10% equity and profit-sharing interest in the Cannabis Biotech Complex. The first milestone is based on the original estimated construction costs of CAD\$15 Million, Alliance Growers' 30% portion being a total of \$4.5 Million. The amendment dated November 20, 2018, calls for the second milestone payment of a further \$3.0 million payable on or before June 30, 2019 to earn its 30% interest.

Commenting on the advances at the Cannabis Biotech Complex, Dennis Petke, Alliance Growers President and CEO stated, “We consider our strategic partnership with Pharmagreen and our investment in the Cannabis Biotech Complex to be the cornerstone of our business model. This relationship is instrumental to the Alliance Growers Four Pillars Organizational Plan as it integrates all four components to help Alliance achieve its revenue objectives to create shareholder value. Further analysis of the demand for cannabis starts, or clones required by Medical Cannabis Licensed Growers, based on their existing operations and considering their expansion plans, could exceed 200 million annually by 2020. With that in mind, we believe our projected revenue model of 10 million tissue cultured plantlets annually and an increase to 20 million tissue cultured plantlets annually, is quite conservative.”

All submitted applications to Health Canada for the Access to Cannabis for *Medical Purposes* Regulations (ACMPR) prior to October 17, 2018 are required to migrate to the CTLS digital system on or before January 31, 2019. This new licensing system is designed to service the new recreational market while still including the provisions for supplying the medical cannabis license holders as was under the former application process in place prior to October 17, 2018.

The oversight of the cannabis supply chain is a shared responsibility across many Federal, Provincial and Territorial governmental departments, industry and other stakeholders. One of Health Canada's responsibilities is to track the flow of cannabis as a means of preventing the illegal inversion and diversion of cannabis into and out of the regulated system. Under this tracking system, a holder of a license for cultivation, a license for processing, or a license for sale for medical and/or recreational purposes is required to submit monthly reports to Health Canada.

The binding Letter of Intent (“LOI”) between Pharmagreen and Alliance was first reported on December 28, 2017 and amended on April 13, 2018 and further amended November 20, 2018.

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The amendment calls for the second milestone payment of a further \$3.0 million payable on or before June 30, 2019 to earn its 30% interest. The total funds required from Alliance Growers to acquire up to a 30% equity stake in BC Ltd. is dependent on the total cost of the final construction costs of the initial facility. To maintain a 30% equity stake going forward, Alliance will make a further investment on a pro rata basis for expansion of the Cannabis Biotech Complex, including the production and sales of CBD Dana tissue cultured plantlets, a proprietary high yield hemp strain. The near unanimous vote on the US Farm Bill signed into law by President Trump, essentially legalizing the production of hemp in the USA opens up Alliance and Pharmagreen to an enhanced revenue stream from the sale of CBD Dana plantlets to the US market.

About Pharmagreen Biotech, Inc. and WFS Pharmagreen Inc.

WFS Pharmagreen Inc. is a wholly owned Canadian based subsidiary of Pharmagreen Biotech, Inc., a publicly traded (OTC Venture: PHBI) company. WFS Pharmagreen Inc. is a cannabis company that is becoming the largest producer of cannabis plantlets through a proprietary tissue culture process with opportunity to become one of the largest players globally. Pharmagreen's mission is to advance the technology of tissue culture science and to provide the highest quality 100% germ free, disease free and all genetically the same plantlets of cannabis and other flora while offering full spectrum DNA testing for plant identification, live genetics preservation using low temperature storage for various cannabis and horticulture plants; extraction of botanical oils mainly CBD oil, and to deliver laboratory based services to the North American Cannabis and agriculture sectors. For further information on the company progress on the construction of a 62,000 square foot "Cannabis Biotech Complex" please visit www.pharmagreen.ca

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, Strategic ACMPR Investments, CBD Oil Supply and Distribution, and Research and Technology.

Alliance Growers is working with Pharmagreen Biotech Inc. advancing a new business partnership, to jointly develop and operate a 62,000-square foot facility, to be the first of its kind in Western Canada to house a DNA Botany lab, extraction facility and Tissue Culture Plantlet Production facility to service the Cannabis market and agriculture market in general. The proposed Cannabis Biotech Complex's main facility is the Cannabis Biotech Centre which will grow Cannabis plantlets using proprietary tissue culture propagation, specifically utilizing the "Chibafreen Invitro Plant Production System", which allows for more tissue cultured plantlets to be produced in less space and less time.

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.

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FORWARD LOOKING INFORMATION

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.