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## NEWS RELEASE

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### **Alliance and Pharmagreen estimate the demand for cannabis clones to exceed 200 million annually by 2020**

**December 21, 2018 – Vancouver, BC – Alliance Growers Corp.** (CSE: ACG; FWB: 1LA; WKN: A2DFYX; OTCQB: ALGWF) (“Alliance Growers” or “the Company”) estimates that the demand for cannabis starts, or clones required by Medical Cannabis Licensed Growers, based on existing operations and considering their expansion plans, could exceed 200 million annually by 2020. Alliance Growers is pleased to announce amended payment terms with WFS Pharmagreen Inc. (“Pharmagreen”), and its subsidiary 1155097 BC Ltd. (BC Ltd.), to acquire a 30% non-dilutive equity interest in Pharmagreen’s subsidiary BC Ltd. (the “Transaction”), the entity which will build and operate the Cannabis Biotech Complex on a 25-acre property near Mission in British Columbia. The binding Letter of Intent (“LOI”) between Pharmagreen and Alliance was first reported on December 28, 2017 and amended on April 13, 2018.

To date, Alliance Growers has invested \$1,350,000 toward the 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 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.

The Cannabis Biotech Complex, being jointly developed by Pharmagreen Biotech Inc. (“Pharmagreen”) (OTC Venture: PHBI) and Alliance Growers, is in the construction phase and slated for completion in Q1 of 2020.

Commenting on the amendment, Alliance Growers’ President and CEO, Dennis Petke, stated, “We are pleased to continue to participate in the development of the Cannabis Biotech Complex, as the profit sharing will form a significant component of the Alliance Growers’ revenue model and the equity interest will bolster the Company’s balance sheet. Due to the significant demand for cannabis starts coupled with the superiority of tissue cultured plantlets versus clones, Alliance has received attractive financing proposals from Family Offices and other Funds. We expect to announce a significant funding commitment in the first week of January 2019, to fund our second milestone investment to earn a 30% interest in the Cannabis Biotech Complex.”

**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 PINKS: 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](http://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](http://www.alliancegrowers.com) or the Company's profile at [www.sedar.com](http://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](mailto: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.