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**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

# ALLIANCE GROWERS CORPORATE UPDATE

**December 15, 2016 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG**) (“**Alliance Growers**” or the “**Company**”) is providing this corporate update to remind our shareholders and potential new investors of our business strategy and how Alliance Growers differentiates itself from other Canadian Cannabis companies. We want to assure our shareholders that we are committed to finalizing our licensing agreement for the Cannabis Botany Centre and other strategic investments and partnerships.

**Cannabis Botany Centre**

B.R.I.M. and Alliance Growers have agreed to extend the period of time required to finalize the definitive license agreement. The delay was due to B.R.I.M. and Alliance Growers finalizing on terms and documentation to secure the full-time services of Dr. Afreen, and her proprietary technology, the “Chibafreen Invitro Plant Production System”. These additional terms have added another set of agreements to be referenced in conjunction with the main license agreement.

The development of the Cannabis Botany Centre, together with the undernoted partnerships and investments are designed to provide Alliance Growers with the following:

* + Produce revenue from the sale of cannabis and other plantlets, under contract;
  + Generate revenue from the processing and resale of cannabidiol (CBD) oil in Canada, USA and offshore;
* Providing cold storage facilities utilizing the one-of-a-kind Cryotissue Cold Storage technology for tissue culture preservation and regeneration as needed on long term basis.
* Provide extraction services as retail services for cultivators and create custom profiles for extraction for botanicals oils for retail market.

**First strategic investment in a private Medical Cannabis Company**

Through a serious of strategic partnerships and investments under negotiation with Licensed Producers at various stages in the license process, Alliance Growers is focused on securing long term plantlet sale contracts for the Cannabis Botany Centre and off-take agreements at wholesale cost for flower to be acquired by Alliance Growers for CBD oil extraction.

Alliance Growers has negotiated terms on a 10% non-dilutive interest in a private company in Ontario that has assembled a top tier growing team with management that has the expertise to expedite the license producer application process.

**Joint Venture with Israeli Medical Cannabis Company**

Further to the company’s commitment to become a leading supplier of pharmaceutical grade CBD oil on a global basis, Alliance Growers continues discussions setting out terms with an Israeli medical cannabis company.

Included in the discussions is the joint development of 50 hectares of land for the growth of high quality cannabis plants, as legally permitted in an offshore, low operating cost jurisdiction. This would facilitate the importation of the CBD oil into various states in the USA, into Canada when legalized, and into other countries as permitted.

This joint venture and other similar partnerships is what will make Alliance Growers stand out from other Canadian Cannabis companies that are directly affected by Health Canada rules and regulations. Alliance Growers plans to produce and sell more CBD oil from outside Canada.

The Hemp Business Journal reports that the CBD market in the USA is growing at a rate of 30% per annum, and forecasts that sales of CBD oils from marijuana-based sources are expected to reach $1,650,000,000, or 79% of the total CBD Market of $2,100,000,000 by 2020.

Commenting on these new developments, Dennis Petke, Alliance Growers President and CEO stated “We appreciate our many supporters’ and investors’ patience as we finalize these three of many joint ventures and partnerships to come. We realize that the anticipation is building even though these agreements take longer to complete than expected. We, as management and investors as well, want our supporters to know we are fully committed to completing our plans as expeditiously as possible, while at the same time maximizing the opportunity and mitigating risks. We believe we will all benefit from this careful, prudent approach in the long term”.

As previously announced, Alliance Growers is undertaking a private placement of up to 10,000,000 units (the "Units") at a price of $0.20 per Unit, for gross proceeds of up to $2,000,000. Each Unit is comprised of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.30 per share, for a period of two years from the date the Units are issued. A portion of the proceeds may be used for finalization of our current projected arrangements.

**About Alliance Growers Corp.**

Alliance Growers is a diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan - MMPR cannabis production facilities, distribution network, consumer products, and research and development.

Alliance is finalizing a Definitive License Agreement with B.R.I.M. for a Canada Exclusive License to jointly develop and operate cannabis Botany Centres. The initial project is planned as a staged development of a 40,000 square foot facility being located near Vancouver, B.C., 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 planned facility will grow cannabis plantlets using proprietary tissue culture propagation, specifically the “Chibafreen Invitro Plant Production System”, which assures consistent composition and purity of each plantlet for the growers. As well, Alliance Growers is negotiating to obtain exclusive Canadian distribution agreements for certain proprietary products for support of the cannabis growing industry in addition to possible partnerships with existing MMPR licensed and soon-to-be licensed facilities.

For further information please visit the Company’s corporate 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)

On behalf of the board of directors of

**ALLIANCE GROWERS CORP.**

*“Dennis Petke”*

Dennis Petke

President and CEO

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*THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.*

**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 the use of proceeds of the Financing, as well as the 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 following the issuance of the required licenses by Health Canada. 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.