

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

# ALLIANCE GROWERS IN ADVANCED DISCUSSIONS TO JOINT VENTURE ON 50 HECTARES TO PRODUCE PHARMACEUTICAL GRADE CBD OIL

**December 9, 2016 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG**) (“**Alliance Growers**” or the “**Company**”) is pleased to announce that it has entered into discussions with an Israeli medical cannabis company to create a joint venture to develop pharmaceutical grade cannabidiol oil (CBD Oil).

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. It is anticipated that the majority of the plant production would be processed for the extraction of pharmaceutical grade CBD Oil. 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.

The potential partner has extensive expertise cultivating world-class marijuana in technical greenhouses. They have a team of scientists, designers, and engineers committed to developing high quality medical cannabis using greenhouses in geographical locations that offer an abundance of natural light. The joint venture partner’s R&D, based in Israel, involves both scientific and academic research, as well as current ongoing registered medical clinical studies.

The Hemp Business Journal reports that the CBD market 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, in the USA alone, of $2,100,000,000 by 2020.

Commenting on these new developments, Dennis Petke, Alliance Growers President and CEO stated “This joint venture is part of our plan of strategic alliances and investments in Licensed Producers. Alliance Growers is focused on securing long term plantlet supply contracts and offtake agreements for CBD Oil. The proposed arrangement with such an experienced group is yet another significant step in developing our business model to facilitate our ultimate goal of becoming a successful global cannabis company. Our plan is to become a leading supplier of high quality CBD Oil to multiple channels in the Cannabis industry for both medical and recreational use in Canada, the USA and internationally.”

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 the pursuit of the joint venture with the Israeli medical cannabis company to commence the proposed joint venture arrangement.

**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 a planned 40,000 square foot facility being developed 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

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.