

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

# ALLIANCE GROWERS PROGRESS REPORT ON QUEBEC LATE STAGE ACMPR APPLICANT, BIOCANNATECH

**February 21, 2018 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG; FWB: 1LA; WKN: A2DFYX**) (“**Alliance Growers**” or the “**Company**”) is pleased to provide a progress report on the acquisition of the Quebec late-stage ACMPR applicant, Biocannatech, previously reported on in a news release dated January 25, 2018.

Alliance Growers acquired Biocannatech to become a licensed producer under Health Canada’s access to cannabis for medical purposes regulations (“ACMPR”) in Quebec.  Alliance Growers will be allocating a portion of its next financing to build out the medical marijuana facility in preparation for the inspection required to obtain a growing license. Once Health Canada is satisfied with a successful crop, Alliance Growers will be granted its distribution license.

Alliance Growers is pleased to provide the following progress updates.

1)  Alliance Growers has secured a lease with a 10,000 sq. ft building in the Town of Mount Royal (“T.M.R.”) in Montreal.  This site is zoned for Medical Cannabis Production and the Company has the confirmation letter from the city of T.M.R. The lease provides the option to buy and build equity for the Company and its shareholders

2)  Alliance Growers has the first right of refusal to purchase this building in 24 months at a favourable price and build equity through ownership

3)  Alliance Growers has the option to lease or purchase the building next door with an area of 20,000 sq. ft. as an expansion, which will yield 38,000 of grow space with the canopy.

4)  Alliance Growers has determined that the retrofit on this facility will cost +/- $250 per sq. ft instead of the $400 per sq. ft (the average cost) due to the existing structure in place and amendments

 5)  Alliance Growers will have, in this first phase of production, approximately 7000 sq. ft of production area that will yield 700-800 Kg. per year.

The Biocannatech acquisition is at the late-stage, ready-to-build status.

Effective May 25, 2017, the application process for becoming a licensed producer of cannabis for medical purposes is as follows:

1. Intake and Initial Screening
2. Detailed Review and Initiation of Security Clearance Process
3. Issuance of License to Produce
4. Introductory Inspection (as cultivation begins)
5. Pre-Sales Inspection
6. Issuance of License to Sell

To help simplify the terms early, mid, and late stage application, it is useful to look at the ACMPR application process as a 2-part process:

**Part 1 ACMPR Application -Determination of acceptability of application/applicants**

This is a very time-consuming process where extensive documentation is required to establish that no criminal-of-personnel involvement, and there is a thorough understanding to compliance with all Health Canada, Canadian Provincial Municipal laws, and regulations, etc. The last step in part 1 is granting Security Clearance.

This means that the applicant has the approval in principle and will be approved for a license upon compliance with all requirements in part 2.

**Part 2 Construction buildout operation readiness ACMPR Licensing.**

Health Canada requires you to build to a specific code of security as well as meeting Federal, Provincial, and municipal building codes, etc,

              Health Canada approvals required for defined stages throughout Construction:

* + Official Architectural and Engineering construction plans for permit approval.
	+ All Provincial, Municipal construction permits approved.
	+ Once satisfied Health Canada will ask the applicant to submit a confirmation of readiness (“COR”), which is a package of photo and video evidence of the facility demonstrating, among other things that security features such as the CCTV cameras and alarms are functioning.
	+ After the COR, Health Canada may choose to send someone to physically inspect the facility or they may grant a cultivation license without the inspection.
	+ With the cultivation license, you can start growing demonstrative crops and, once those crops pass the test, you then obtain a sales license.

Commenting on the progress of the recently announced acquisition of the Quebec late-stage ACMPR applicant, Biocannatech, Dennis Petke, Alliance Growers’ President and CEO, noted “We are very pleased with the progress of this key acquisition for Alliance Growers and its shareholders. The Biocannatech acquisition propels Alliance Growers toward becoming a licensed producer in the province of Quebec and builds upon and compliments the Company’s Cannabis Botany Centre in Mission, BC.  This move opens access for distribution of tissue culture plantlets from our Cannabis Botany Centre, not only to Biocannatech, but potentially to all licensed producers in Quebec. Alliance Growers continues to create value for all stakeholders by building a global cannabis company to that is going to be where the market is going not where the market is today”.

**About Alliance Growers**

Alliance Growers Corp is a diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan – Cannabis Botany Centre, Strategic ACMPR Investments, CBD Oil Supply and Distribution, and Research and Development.

Alliance Growers has finalized its a new business partnership with WFS Pharmagreen Inc., to jointly develop and operate a 40,000-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 Botany Centre 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.

Alliance Growers has entered into an exclusive agreement to acquire a late stage licensed producer applicant, Biocannatech, to become a licensed producer under Health Canada’s access to cannabis for medical purposes regulations (“ACMPR”) in Quebec. Alliance Growers will supply financing and resources to build out the medical marijuana facility in preparation for the inspection required to obtain a growing license. Once Health Canada is satisfied with a successful crop, Alliance Growers will be granted its distribution license.

This acquisition allows the Company an opportunity to become a licensed producer in the Province of Quebec and gain an in-road to provide tissue culture plantlets to all licensed producers in Quebec.

Further, Alliance Growers has been negotiating to obtain other exclusive Canadian distribution agreements for certain proprietary products for support of the Cannabis growing industry in addition to possible partnerships with Licensed Producer Applicants at various stages in the Health Canada License process.

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

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 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.