

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

**ALLIANCE GROWERS REPORTS MILESTONES ACHIEVED**

**May 16, 2017 – Vancouver, B.C. –** Alliance Growers Corp. (CSE: ACG, FWB: 1LA; WKN: A2DFYX)) (the “Company”) (“Alliance Growers”) is pleased to provide this report of milestones achieved for our shareholders and potential new investors. The Company continues to execute on its business plan to develop its business strategy that differentiates Alliance Growers from other Canadian Cannabis companies.  The Company is advancing on several key fronts.

**CannaApp**

The CannaApp announced in a news release on February 16, 2017 is under development and is expected to be in Beta testing in the coming months. CannaApp will provide a means for Licensed Growers and dispensaries to advertise products, facilitating sales and deliveries between Licensed Growers, dispensaries and customers, as well as aggregating social interactions. The marketplace will be also be user-content driven, allowing it to expand rapidly to meet market demands. The marketplace will be a full-service solution to sourcing, variety, selection, sales and delivery.

The CannaApp will be a valuable tool for anybody involved in the cannabis industry, from growers to end users and all points in between. This would include providers of equipment for growing and extraction, plant nutrients, product packaging and other service providers in the industry.

The CannaApp will position itself to be the “eBay” and “Amazon” of medical and recreational marijuana sales. Due to its user-driven model, the business will be able to expand into the national and international markets, wherever legally available.  The CannaApp will also provide unique access to potential customers looking for services that are provided by the Cannabis Botany Centre.

 **Alumina Partners Equity Facility Financing**

On April 6, 2017 Alliance Growers announced that the Company had executed on the term sheet for a financing commitment offered by Alumina Partners LLC, a New York-based private equity firm, for a $5 Million equity facility in a series of private placements, with an option to extend the commitment up to $10 million.

The Company is closing the first tranche this week of the offering by issuing 1,000,000 units at an issuance price of 10.5 cents per unit for $105,000, representing a portion of the commitment fee in respect of the equity facility.  Each unit consists of one common share and one share purchase warrant, exercisable at $0.21 per share for a period of two years. Alliance expects to close larger placements with Alumina at progressively higher prices.

**Cannabis Botany Centre (B.R.I.M.)**

B.R.I.M. will be issued the first tranche of shares in Alliance Growers this week. The development of B.R.I.M., together with additional partnerships and investments are designed to provide Alliance Growers with the ability to 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; and provide extraction services as retail services for cultivators and create custom profiles for extraction for botanicals oils for the retail market.

**Investment in Canwe**

Alliance Growers is moving ahead with a strategic investment in Canwe Growers Inc. (“**Canwe**”). as part of the Company’s business plan of 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.

On February 21, 2017 Alliance Growers announced the closing of the first tranche of instalment of its subscription for common shares in New Maple Holdings. Ltd**. (“New Maple”), the** parent company of Canwe. Canwe (www.canwe.ca) is an Ontario-based company preparing to apply for a producer’s license under the *Access to Cannabis for Medical Purposes Regulations*(the “ACMPR”). Canwe has access to a 22 acre property 1.5 hours north-west of Toronto, where it plans to build a facility focused on producing clean, premium quality cannabis. Canwe has amassed a stellar team which includes licensed producer MedReleaf Corp.’s former Head Grower and his number two aide, both of whom are expert cannabis growers who intimately know the cannabis cultivation cycle from seed to sale. With Alliance Growers’ four-pillar strategy and Canwe’s experienced team, the two companies plan to work together to form business synergies with the goal of creating a strong presence in Canada’s fast-growing medical cannabis space.

In conjunction with the investment, New Maple and Alliance Growers intend to have a business arrangement for the purchase and sale between the parties of live cannabis plants, tissue culture plantlets and other cannabis products and services.

**Joint Venture with Israeli Medical Cannabis Company**

Alliance Growers is structuring terms for financing an investment in an Israeli medical cannabis company for a significant equity investment which will lead to a significant portion of their high grade CBD production.

Included in the discussions is the joint development 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.

**Commenting on the Alliance Grower’s progress**, Dennis Petke said, “We are particularly pleased with the progress of the cannabis marketplace APP, CannaApp. The CannaApp is an exciting development in the cannabis space as it will allow users to be able to locate local dispensaries, browse and search product catalogs, purchase and arrange delivery of products, comment on and rate products and businesses. It will also allow vendors to be able to list their dispensaries allowing users to locate it on a map, create and manage a business page with their own images and details, add or edit their list of products (marijuana strains, edible products, accessories), upload pictures of their business and products and reply to user comments. The benefits of the CannaApp to the cannabis community will be tremendous and fits in perfectly with Alliance Growers’ strategy as we will be able to distribute pharmaceutical grade CBD oil to the various dispensaries as we develop that database. I look forward to updating our shareholders with our progress on all fronts over the coming months. This should be a very exciting summer for Alliance Growers.”

**About Alliance Growers Corp.**

Alliance Growers Corp is a global diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan – Cannabis Botany Centre, Strategic ACMPR Investments (Access to Cannabis for Medical Purposes Regulations), CBD Oil Supply and Distribution, and Research and Development.

Alliance Growers has executed an agreement with Botanical Research In Motion International Inc., for a Canada Exclusive License 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 rights to 50% of BCMM, a late stage applicant that submitted its ACMPR Application to Health Canada in 2014, and is also making a strategic investment in another private Company preparing to apply for an ACMPR producer’s license. Additionally, the Company is investing in several cannabis industry participants, ranging from co-developing a Cannabis App for use by the cannabis industry and its markets, to negotiating business arrangements with several companies for the purchase and sale between the parties of live cannabis plants, tissue culture plantlets and other cannabis products and services.

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 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.