

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

# ALLIANCE GROWERS CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

**May 5, 2016 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG;** **FWB: 1LA; WKN: A2DFYX**) (“**Alliance Growers**” or the “**Company**”) is pleased to announce that its private placement announced April 7, 2016 (the "Private Placement") has closed the first tranche of the financing. The Company raised $179,300 for the issuance of 1,630,000 units (the "Units") at a price of $0.11 per Unit.

Each share purchase warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.21 per share, for a period of two years from the date the Units are issued. The warrants are subject to an acceleration clause after the resale restrictions on the shares have expired. The expiry time of the warrants can be accelerated if the Company’s shares trade at or above a weighted average trading price of $0.30 per share for 10 consecutive trading days

In addition, the Company has paid Agents and Finders Fees totalling $1,760 and issued 16,000 broker warrants exercisable at $0.21 on the same terms as the Private Placement share purchase warrants. All securities issued pursuant to the placement will be subject to a hold period of four months and one day from the date of closing.

The proceeds from this financing, in conjunction with the initial private placement with Alumina Partners, will be used primarily to secure the property for the Cannabis Botany Centre in order to enable Alliance to initiate its ACMPR license with Health Canada.

Commenting on the financing, Dennis Petke, Alliance Growers President and CEO said, “We are very pleased with the strong response to this recent financing. Based on the demand, it is expected that it will be oversold like the $0.05 placement that was completed in October 2016. The Company will continue to close a series of private placements at progressively higher prices over the next several months to fund the business plan. We are quite anxious to secure the land for the Cannabis Botany Centre, not only to initiate our application for the ACMPR, but to begin the planning stage of the development. We would like to thank our shareholders for their continued support as we work towards realizing our vision of becoming a successful global cannabis company”.

**THIS NEWS RELEASE, PROVIDED PURSUANT TO APPLICABLE CANADIAN REQUIREMENTS, IS NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR FOR DISSEMINATION IN THE UNITED STATES, AND DOES NOT CONSTITUTE AN OFFER OF THE SECURITIES DESCRIBED HEREIN. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS ABSENT REGISTRATION OR APPLICABLE EXEMPTION FROM REGISTRATION REQUIREMENTS.**

**About Alliance Growers**

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

For more information contact:

Dennis Petke

**Tel: 778-331-4266**

**DennisPetke@alliancegrowers.com**

Rob Grace

Corporate Communications

**Tel: 778-998-5431**

RobDGrace@gmail.com

*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.