

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

**Alliance Growers Updates Strategic Investment in Canna Companion**

**January 27, 2017 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG; FWB: 1LA**) (“**Alliance Growers**” or the “**Company**”) is pleased to provide an update on the Company’s planned equity investment to finance Canna Companion Products, Inc. (“Canna”). Canna is a wholly owned subsidiary of WFS PharmaGreen Inc. (“Pharmagreen”) that produces and sells whole-plant hemp pet supplements. Canna, a Washington State incorporated company, is the manufacturing, fulfillment and sales centre for the Canna products. For further information, see [www.cannacompanionusa.com](http://www.cannacompanionusa.com).

Further to an announcement dated November 15, 2016, Alliance Grower’s strategic investment in Canna Companion is via its parent, Pharmagreen. The arrangement calls for Alliance Growers to invest CAD$300,000 on favourable financial terms with regard to pricing and warrants, in return for an exclusive long term (“Cannabinoid”) CBD oil supply contract when Canna expands to the Canadian market, planned for later 2017.

Commenting on the equity investment, Dennis Petke, Alliance Growers President and CEO said, “The opportunity for Alliance Growers to make this strategic investment in Canna provides two great benefits. First is the investment opportunity. Canna has already shown tremendous success in the lucrative cannabis pet product market and is poised for spectacular growth. The second is the Agreement giving Alliance Growers the exclusive CBD oil supply contract from Canna in Canada.”

 Pharmagreen is currently a private company incorporated under the business act of British Columbia. The company is in the process of making application for a listing on the OTCBB-QB as a reporting filer. Pharmagreen’s management is targeting to have this process completed during 2017.

Pharmagreen owns the worldwide rights to its cannabis science based proprietary supplement formulation geared towards pets and animals, licensed to Canna. Their formulation was based on over fifteen years of research and development by two Doctorates of Veterinary Medicine. These two DMV’s form part of the management and research and development teams. The formulation and products are veterinary formulated and veterinarian approved.

Since the official sales launch of the Canna products for cats and dogs on February 1, 2016, monthly net sales reached the US$100,000 milestone for the month of November, 2016, with Canna net sales of approximately US$941,500 for the 11 month period ending December 31 2016. Also, Canna Companion is currently conducting research and development of whole-plant hemp based products for the animal world.

**About Alliance Growers**

Alliance Growers Corp is a diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan – Cannabis Botany Centre, Strategic MMPR Investments, 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.

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 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**

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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. 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.