



NEWS RELEASE

ALLIANCE GROWERS FINALIZES DEFINITIVE AGREEMENT FOR CANNABIS BIOTECH COMPLEX

January 29, 2019 – Vancouver, BC – Alliance Growers Corp. (CSE: ACG; FWB: 1LA; WKN: A2DFYX; OTCQB: ALGWF) (“Alliance Growers” or “the Company”) is pleased to report that it has finalized the definitive agreement with WFS Pharmagreen Inc. (“Pharmagreen”), and its subsidiary 1155097 BC Ltd. (BC Ltd.), to acquire an equity interest in Pharmagreen’s subsidiary BC Ltd. (the “Transaction”), the entity which will build and operate the Cannabis Biotech Complex on a 25-acre property near Mission in British Columbia. This definitive agreement solidifies the terms of the Binding Letter of Intent (“LOI”) between Pharmagreen and Alliance which was first reported on December 28, 2017 and amended on April 13, 2018 and December 21, 2018.

Alliance Growers has invested \$1,350,000 toward the Transaction to date, representing an initial 10% equity and profit-sharing interest in the Cannabis Biotech Complex, based on the original estimated construction costs. Alliance Growers has the option to acquire up to 30% of the Complex based on actual final Construction and Equipment Costs. The Parties agreed to enter into an addendum to this Agreement by June 30, 2019 (the “Addendum”), setting out the terms of the final Purchase Price for 30% of the Complex minus the \$1,350,000 already paid.

The Cannabis Biotech Complex, being jointly developed by WFS Pharmagreen Inc., the wholly owned Canadian Subsidiary of Pharmagreen Biotech Inc. (OTC Venture: PHBI) and Alliance Growers, is in the construction phase, forecast for completion in Q1 of 2020. Alliance Growers has been and continues to be a strategic partner in the development of the Biotech Complex at Deroche, BC. The funds advanced to date, by Alliance have been instrumental in the completion of the project design and engineering stage including permit application approvals from municipal and regional districts.

The primary component of the Deroche Cannabis Biotech Complex is the 63,000 sq ft Cannabis Biotech Centre featuring a state-of-the art laboratory tissue culture facility expected to generate \$100 Million in revenue from the sale of 10 Million genetically perfect, disease free tissue culture plantlets annually with a cost of production estimated at \$10 Million. This complex will serve as a model for future locations that Pharmagreen plans to build globally. With the recent passage of the farm bill in US, and the subsequent rapid growth of the “high CBD hemp” industry in the southern United States, Pharmagreen and Alliance see an opportunity to build additional facilities to service that market.

Commenting on the definitive agreement, Alliance Growers’ President and CEO, Dennis Petke, stated, *“Executing the definitive agreement to acquire a 30% interest and profit sharing of the Cannabis Biotech Complex solidifies our commitment to follow through on this acquisition which, together with other strategic arrangements with Pharmagreen, will provide long term sustainable profitability for the company and in turn creating value for all stakeholders of Alliance. The profit sharing from this investment will form a significant component of the Alliance Growers’ revenue model and the equity interest will bolster the Company’s balance sheet. Due to the significant demand for cannabis starts coupled with the superiority of tissue cultured plantlets versus clones, Alliance looks forward to funding the additional interest in the Cannabis Biotech Complex as this will ensure Alliance Growers maintains*

a strong presence in the cannabis space for many years to come. We are fortunate to have attracted directly and indirectly, multiple sources of funding due to the unique and innovative nature of this extremely valuable service to the cannabis and hemp markets both domestically and globally,”

About Pharmagreen Biotech, Inc. and WFS Pharmagreen Inc.

WFS Pharmagreen Inc. is a wholly owned Canadian based subsidiary of Pharmagreen Biotech, Inc., a publicly traded (OTC Venture: PHBI) company. WFS Pharmagreen Inc. is a cannabis company that is becoming the largest producer of cannabis plantlets through a proprietary tissue culture process with opportunity to become one of the largest players globally. Pharmagreen’s mission is to advance the technology of tissue culture science and to provide the highest quality 100% germ free, disease free and all genetically the same plantlets of cannabis and other flora while offering full spectrum DNA testing for plant identification, live genetics preservation using low temperature storage for various cannabis and horticulture plants; extraction of botanical oils mainly CBD oil, and to deliver laboratory based services to the North American Cannabis and agriculture sectors. For further information on the company progress on the construction of a 63,000 square foot “Cannabis Biotech Complex” please visit www.pharmagreen.ca

About Alliance Growers Corp.

Alliance Growers is a Diversified Global Medical Cannabis Company driven by the Company’s ‘Four Pillars’ Organization Plan – Cannabis Biotech Complex, Strategic ACMPR Investments, CBD Oil Supply and Distribution, and Research and Technology.

Alliance Growers is working with Pharmagreen Biotech Inc. advancing a new business partnership, to jointly develop and operate a 63,000-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 Biotech Complex’s main facility is the Cannabis Biotech Centre which will grow Cannabis plantlets using proprietary tissue culture propagation, specifically utilizing the “Chibafreen Invitro Plant Production System”, which allows for more tissue cultured plantlets to be produced in less space and less time.

For further information, please visit the Company’s website at www.alliancegrowers.com or the Company’s profile at 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.

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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.