

**ALLIANCE GROWERS CORP.**

**NEWS RELEASE**

**ALLIANCE GROWERS ENTERS INTO NEGOTIATIONS WITH**

**CANNA COMPANION PRODUCTS, INC.**

Tommy Chong, International Marketing Ambassador for Canna Companion Products

**August 4, 2016 – Vancouver, B.C. – Alliance Growers Corp. (CSE: ACG**) (“**Alliance Growers**” or the “**Company**”) is pleased to report that, further to its news release of June 30, 2016 regarding the Letter of Intent with WFS PharmaGreen Inc. (“PharmaGreen”), the Company has entered into negotiations to explore joint venture opportunities or possible acquisition of Canna Companion Products, Inc. (“Canna”). This evaluation is in connection with other licensing opportunities and business development opportunities with PharmaGreen. Management has begun extensive due diligence on the Canna Companion business.

Canna is a wholly owned subsidiary of Pharmagreen, which owns all the Intellectual property including the exclusive international rights to all past, present and future formulations of the most efficacious and advanced cannabis/hemp based therapeutic supplement product line for animals. Canna Companion is the culmination of 20 years of investigative research and clinical analysis by two veterinarian researchers. They have perfected the development, refinement and administration of phytocannabinoids, terpenes and flavonoids in specific concentrations and ratios, formulated uniquely for animal use. Those veterinarians are Dr. Sarah Brandon and Dr. Greg Copas of Washington State.

Canna, based in Washington State, is in the business of manufacturing and marketing cannabis-hemp based products for animals. Canna is and operates a 5,000 sq. ft. product production and fulfillment center in Monroe, Washington in support of its sales of the Canna pet products to all U.S. states.

Also, Pharmagreem/Canna has entered into a licensing agreement with Chongsong Inc. whereby world renowned, Grammy award winning cannabis culture icon, Mr. Tommy Chong, of Cheech & Chong fame, will serve as Brand Ambassador for the Canna Companion product line.

Commenting on the potential Canna acquisition, Dennis Petke, Alliance Growers President and CEO said, “This acquisition not only provides the Company the unique opportunity to lay claim to the only cannabis for pets product formulation that has been developed over two decades of research and development, it also affords the Company the opportunity to sustain itself as the leader and developer in this rapidly growing new sector of the US and international pet product marketplace. It fits perfectly and adds the single most significant component to our Four Pillars Organizational Plan”.

After application in clinical settings with thousands of cats and dogs, Canna’s formulations have and continue to consistently produce a high rate of therapeutic success, with approximately 94% of those patients’ exhibiting measurable physiological, neurological and immunological benefits). With several products in the pipeline for near-term launch by Canna, Dr. Brandon and Dr. Copas will continue their clinical study on animals, formula enhancement and creation of new formulations/products for the Canna.

In addition to the capsule products now available, new products under development are soon to be released flavored chews and liquids for dogs and cats, an equine formula, topical gels for site specific pain and inflammation issues, a time released transdermal formula for all animals and prescription-only injectables. Canna believes that is will sustain its lead role in this sector of the market for years to come.

The Emerging Market Sector

The cannabis for pets product sector is in its infancy and considered the most innovative product sector in the pet supplement arena in the past 15 years, according to professional observers in the pet products sector. Current Canna sales are reflective of the awareness that this genre of therapy is gaining momentum daily. This is the result of the rediscovery of and awakening to the medicinal benefits of cannabis for humans and the education process that is underway. Part of that education is the scientific fact that the general population and medical and animal professionals are now understanding that both humans and animals have what is called an “endocannabinoid system”. Discovered by Israeli scientists in the early 60’s, this delicate system internally produces cannabinoids in every creature with a spine. These internally produced cannabinoids maintain balance of the body’s systems and when either humans or animals become stressed, injured or sick, the production of these cannabinoids decreases, putting the body’s systems “out of balance”.

**About Alliance Growers**

Alliance Growers Corp (ACG: CSE) is a diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan - MMPR cannabis production facilities, distribution network, consumer products, and research and development. 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 Grower’s news distribution list, please send your email address to newsletter@alliancegrowers.com

**About PharmaGreen**

WFS PharmaGreen Inc. is a private company located in Mission, B.C. that is in the business of manufacturing and marketing cannabis-hemp based products for animals and owns the exclusive international rights to all present and future Canna Companion formulations and products. The Company’s executive management team and its advisory committee are composed of a significant mix of professionals that have been carefully gleaned from the fields of private and public company management; veterinary science; human medical science; marketing, branding and business development capped with unparalleled academic and celebrity endorsement. The Company also has a wholly owned subsidiary Canna Companion Products, Inc., based in Washington State, which operates a 5,000 sq. ft. product production and fulfillment center in Monroe, Washington in support of its sales of the Canna Companion products. Pharmagreen’s celebrity endorsement is with world renowned Grammy award winning cannabis culture icon, Mr. Tommy Chong, of Cheech & Chong fame, who has never previously been involved with any public company.

On behalf of the board of directors of

**ALLIANCE GROWERS CORP.**

*“Dennis Petke”*

Dennis Petke,

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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 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.