

## TO ACQUIRE QUEBEC LATE STAGE ACMPR APPLICANT



Alliance Growers Corp. (**ACG.V**) has entered into an exclusive agreement to acquire a late-stage licensed producer applicant, Biotech Canna, to become a licensed producer under Health Canada's Access to Cannabis for Medical Purposes Regulations (ACMPR) in Quebec. Alliance Growers will supply financing and resources to build out the medical marijuana facility in preparation for the inspection required to obtain a growing licence. Once Health Canada is satisfied with a successful crop, Alliance Growers will be granted its distribution licence.

This is a key acquisition for Alliance Growers and its shareholders, as it allows the company an opportunity to become a licensed producer in the province of Quebec and gain an in-road to provide tissue culture plantlets to all licensed producers in Quebec.

There are several key points of value that are unique and advantageous to a Quebec licence that include:

- Twenty per cent of Canada's population is in Quebec.
- Only two licences have been approved in Quebec with only one producing (Hydropocathary).
- The Quebec government has always looked to attain 25 per cent of whatever Canada's intentions are with business. It has publicly stated it wants Health Canada to process all the licences -- 16 applications -- in Quebec and have the applications approved swiftly.
- Quebec will only purchase the supply from Quebec growers, it will not go outside to other provinces for supply if it does not need to. The initial Biotech Canna facility is 10,000 square feet and is attached to a 120,000 square ft warehouse for expansion. Biotech Canna will produce up to 1,000 kilograms per year and will increase that output in phase 2 of expansion.

Alliance Growers is making an initial payment of \$100,000 and \$150,000 in stock. Alliance Growers will acquire 100 per cent of the Quebec late-stage licensed producer applicant in stages for a total consideration of \$8-million -- cash consideration of \$600,000 and \$7.4-million in stock at a deemed value of \$1/share, the final payment of \$500,000 in Alliance stock to be released from escrow upon Health Canada ACMPR approval.

Commenting on the acquisition of a Quebec late-stage licensed producer applicant, Dennis Petke, Alliance

## News

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Growers' president and chief executive officer, stated: "Management of Alliance Growers continues to carry out our mandate to build a diversified global cannabis company that will be where the market is going, not where the market is today. Alliance Growers is focused on two primary streams in the cannabis space which are the most sustainable and that are here to stay: the grow stream and the medical CBD oil stream. To optimally drive Alliance Growers growth and stature in the grow space, we have determined that acquiring a Quebec licence would be both a key driver to success and a key pillar in Alliance's strategic business plan."

### **About Alliance Growers Corp.**

Alliance Growers is a diversified cannabis company driven by the company's four pillars organization plan -- cannabis botany centre, strategic ACMPR investments, CBD oil supply and distribution, and research and development.

Alliance Growers has finalized its a new business partnership with WFS Pharmagreen Inc., 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.

<http://www.alliancegrowers.com/>