

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: ALLIANCE GROWERS CORP. (the “*Issuer*”).

Trading Symbol: ACG

Number of Outstanding Listed Securities: 86,106,361

Date: MONTH OF APRIL 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the EXCHANGE Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s on-going business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the EXCHANGE Policies. The discussion in this report must be factual, balanced and non-promotional.

GENERAL INSTRUCTIONS

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

REPORT ON BUSINESS

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Alliance Growers is a diversified global cannabis company driven by the Company's four pillars business plan -- Cannabis Biotech Complex, strategic Licensed Producer investments, CBD oil supply & distribution, and research & development.

Cannabis Biotech Complex - Alliance Growers had entered into a Option Agreement with WFS Pharmagreen Inc. (“Pharmagreen”) and its subsidiary, 1155097 BC Ltd. (1155097), to create a strategic relationship, together with equity participation by Alliance Growers and Pharmagreen, whereby Alliance Growers will acquire up to a 30% non-dilutive equity interest in Pharmagreen’s subsidiary 1155097.

Alliance Growers and Pharmagreen are jointly working to develop and operate a 62,000-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 will grow Cannabis plantlets using B.R.I.M.’s proprietary tissue culture

propagation, specifically the “Chibafreen Invitro Plant Production System”, which assures consistent composition and purity of each plantlet for the growers.

In July, 2018 Pharmagreen announced it is currently completing its pre-construction phase of its 62,000 square foot Cannabis Biotech Complex. Pharmagreen has filed for regulatory approval from Health Canada for the cannabis biotech complex. The facility will supply over ten million cannabis tissue culture starter plantlets on an annual basis, operating at full capacity. The Company’s plan is reach over ninety percent of production capacity in the first year.

Strategic Licensed Producer Investments - Through a series of strategic investments under negotiation with Licensed Producers at various stages in the Health Canada Regulations license process, Alliance Growers is focused on securing long term plantlet sale contracts for the Cannabis Biotech Complex and off-take agreements at wholesale cost for flower to be acquired by Alliance Growers for CBD oil extraction.

The Company is a medical cannabis company first, as it has been confirmed that medical cannabis has a global reach and is politically stable. With the roll-out of recreational use or adult-use of cannabis, Alliance Growers anticipates a significant change in the current informal medical cannabis dispensary model. It is expected that most of the existing un-licensed dispensaries, operating in the grey area, will be replaced by the more traditional clinic-pharmacy model, whereby patients will see their doctor or a new doctor and are able to fill their prescriptions either in-store or online with Alliance and Pharmagreen proprietary products, for example.

To that end Alliance Growers has, for several months now, been developing its plan to embrace the inevitable change by looking at partnerships with companies with existing clinics and by searching for clinic-pharmacies to acquire, whereby Alliance Growers will provide its jointly developed proprietary medical cannabis products such as the CBD Dana strain. Meetings with several industry experts on our road trips in Vancouver, Montreal and Toronto have essentially confirmed that Alliance Growers is on the right path for success in the medical cannabis sector beyond owing Cultivation and Sale licenses.

CBD Oil Supply and Distribution - Alliance Growers has completed an agreement with Pharmagreen and B.R.I.M. to build and operate a world-class Biotech Complex, which will include an extraction and processing of CBD oil.

Research and Development - The Company intends to form partnerships with world class R&D cannabis specialists, such as certain companies in Israel, and through its association with Pharmagreen and B.R.I.M.

Cannabis Market Place Platform - The Company co-developing a Cannabis App for use by the cannabis industry and its market participants.

As the business model for Alliance Growers evolves from just being a producer of medical marijuana to one of being a developer and distributor of a much wider range of related products, both within the jurisdictions where marijuana is permitted, and non-cannabis products in those areas not yet approved by the regulators, management continues to identify opportunities to make this transition under its Four Pillars organization Plan.

2. Provide a general overview and discussion of the activities of the management.

Pursuant to the Option Agreement with Pharmagreen, the Company acquired eight shares of 1155097 B.C. Ltd. on January 25, 2019, through the investment of \$1,350,000. 1155097 plans to purchase the land and build and operate a 62,000 square foot growing facility called the Biotech Complex. 1155097 will require a Cultivation License. Dennis Petke, the CEO of the Company was appointed to the board of directors of 1155097.

The parties have agreed to an addendum to the Option Agreement to be signed on or before June 30, 2019 setting out the terms of a second option to earn an additional 20% interest (the “Second Option”). The purchase price of the 20% interest would be a price equal to 30% of the costs of construction and equipment costs of the

Biotech Complex minus \$1,350,000 (“Construction and Equipment Costs”) estimated to be around \$30,000,000. In the event the Second Option is not exercised, the Company’s 10% interest will be subject to dilution to a percentage equal to \$1,350,000 divided by the final Construction and Equipment Costs.

Alliance Growers filed a preliminary short form base shelf prospectus in British Columbia, with the British Columbia Securities Commission to qualify the distribution of an aggregate of up to \$13,000,000 of units (“Units”) of the Company.

The base shelf prospectus will enable Alliance Growers to make offerings of up to \$13 million of common shares, warrants and units or a combination thereof of the Company from time to time, separately or together. This will be offered in amounts, at prices and on terms to be determined based on market conditions at the time of each offering. This is accomplished by the Company, at its discretion, filing a Prospectus Supplement, during the 25-month period that the shelf prospectus remains effective. The specific terms of any future offering will be established in a Prospectus Supplement to the shelf prospectus, which supplement will be filed with the applicable Canadian Securities regulatory authorities. Unless otherwise specified in the Prospectus Supplement relating to a particular offering of securities, the net proceeds from any sale of any securities may be used by Alliance Growers for general corporate purposes, including funding the acquisition of an additional 20% interest in the Cannabis Biotech Complex, ongoing operations and/or working capital requirements for acquiring cultivation licenses, and potential future investments in the Cannabis sector.

The Company also announced that it has been in discussions to acquire certain cannabis assets including licenses to grow, manufacture and sell in the State of California, with an initial focus on “craft” cultivators and distribution of their product. The Company anticipates a short due diligence period and will receive the benefit of simultaneous financing when entering into this relationship.

The acquisition of US based cannabis assets can be a way to grow our “plantlet to sale” model and to establish an entry to promote tissue culture plantlets in the highly lucrative and quickly expanding California cannabis market.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details

of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers

Not applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not applicable

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

None

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks, which are likely to impact the Issuer, are detailed in Item 17 *Risk Factors* of the Issuer's Form 2A - Listing Statement dated June 12, 2015.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized

by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **MAY 3, 2019**

Dennis Petke, CA
Name of Director or Senior Officer

“Dennis Petke”
Signature

President and CEO
Official Capacity

Issuer Details		
<i>Name of Issuer</i> Alliance Growers Corp.	<i>For Month End</i> APRIL 2019	<i>Date of Report</i> YY/MM/DD 19/05/03
<i>Issuer Address</i> Suite 500 – 666 Burrard Street		
<i>City/Province/Postal Code</i> Vancouver, BC V6C 3P6	<i>Issuer Fax No.</i> (778) 653-0750	<i>Issuer Telephone No.</i> (778) 331-4266
<i>Contact Name</i> Dennis Petke	<i>Contact Position</i> CEO	<i>Contact Telephone No.</i> (778) 558-7434
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