

## 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 AUGUST, 2020

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 and was reported during the preceding month to which this report relates, this report should refer to the material information became known 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.

The term “Issuer” includes the Issuer and any of its subsidiaries.

- (b) 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 has acquired a 10% equity interest in Pharmagreen’s subsidiary 1155097, with an option to increase to a 30% equity interest.

Alliance Growers and Pharmagreen are jointly working to 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 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. The anticipated completion for construction of the 63,000 square foot facility is in Q3 of 2021.

**Strategic Investments in Licensed Producer Applicants** - Through a series of strategic investments under negotiation with Licensed Producer Applicants 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.

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.

**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.**

### **Audited Financial Statements**

The Company continues to work with its auditors to complete the 2019 annual Financial Statements, Q1 and Q2, and necessary related filings as soon as possible. Currently most people are working from home, and this does result in the process more forward slowly. Nevertheless, the company is making the completion of this activity a high priority, as it will facilitate financing once the Company is reinstated for trading. Alliance Growers has managed to obtain the necessary funds required to complete its audit and all related expenses to service providers and regulators.

### **Global Medical Cannabis Opportunities**

On February 7, 2020, Alliance Growers reported that the Company entered into a Binding Letter of Intent, expanding its opportunity in West Africa from a 10 acre farm-in sub permit previously announced on June 26, 2019, to securing the rights to cultivate country wide, allowing Alliance to offer "10 acre farm out parcels" to other cannabis companies, as well as operating its own 10 acre farms

By way of the Binding LOI with Green Ocean Organics Ltd., the Company will control the Permit that allows Alliance Growers to cultivate, process, package and export all CBD, medical cannabis, extracted oils and related pharmaceutical products in Africa. The initial acreage granted is 50 acres for 2020, increasing on a 5-year Ministry agreement.

Alliance Growers continues to work with Green Ocean Organics on our outdoor grow opportunity in Sierra Leone “West Africa”. and with our financing sources during this disruption to the normal course of business created by the COVID-19 pandemic. Due to this ongoing situation, the Company has no choice but to defer our initial planting of the medical cannabis in West Africa from this year to early spring of 2021, subject to operating conditions being safe at the time.

In the past several weeks, the Company has been introduced to many attractive opportunities, the most appealing of which tie into our business model, are self-funded and have a United States reach. Among the opportunities that we expect to be announcing in the next several weeks include medical related opportunities in North America involving psychedelics, and globally, in the psilocybin and ibogaine sector. This sector utilizes controlled substance extracts and derivatives, grown organically for medical research, clinical trial, FDA and other regulatory approval for a micro dosing prescription-based supply chain.

For the past few months, the Company has been in negotiations for a significant strategic partnership/investment with a private organization that includes innovative premium infused cannabis products and related product dispensing. Through an ambitious strategic plan, the Company would position itself to become an industry leader with premium cannabis products, infused with CBD and THC, thanks to this potential partnership that boasts significant wide-reaching distribution in the United States. On August 18, 2020, the Company entered into a Letter of Intent (“LOI”) to acquire all the issued and outstanding shares of Tabu Canada Corp. (“Tabu”), on a one for one share exchange by way of issuance of up to 32 million Units, at a value of \$0.035 per Unit. Each Unit consists of one common share and one-half share purchase warrant exercisable at \$0.10 per whole warrant for a period of two years subject to an acceleration clause. The LOI calls for the completion of a Definitive agreement following a due diligence process, with closing anticipated contemporaneously with the return to trade following all filings being current and the cease trade lifted.

The business plan calls for offering accessible CBD products, creating an interactive online environment, and providing leadership in cannabis hospitality. Tabu, operating as a wholly owned subsidiary of Alliance Growers, will integrate our brands and products into the everyday lives of consumers. Tabu will join the health industry, pet industry, beauty industry, eCommerce industry, hospitality industry, and more. Their varied approach will enable us to capitalize wherever cannabis trends steer the industry, permitting the initiation and maintenance of multiple revenue-generating campaigns simultaneously. Their product lines include innovative premium infused cannabis products and related product dispensing. Through an ambitious strategic plan, the Company would position itself to become an industry leader with premium cannabis products, infused with CBD and THC. This acquisition boasts significant wide-reaching distribution in the United States.

- 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.**

The Company has been granted an exemption by the Canadian Securities Exchange regarding its minimum pricing policy.

Accordingly, upon completion of the filing of Audited Financial Statements and the rescission of the Cease Trade Order, Alliance Growers will undertake a private placement financing of up to \$150,000 by way of issuance of up to 6 million Units at a price of \$0.025 per Unit. Each Unit is comprised of one common share and one half-share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Company at a price of \$0.05 per share, for a period of two years. The warrants are subject to an acceleration clause after the resale restrictions on the shares have expired. The expiry time of the warrants may be accelerated if the Company's shares trade at or above a weighted average trading price of \$0.15 per share for 10 consecutive trading days. Finders fees may be payable on portions or all the financing, at the rate of up to 10% in cash.

**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.

On January 8, 2020, Alliance Growers Corp. was suspended pursuant to CSE Policy 3. The suspension is considered a Regulatory Halt as defined in National Instrument 23-101 Trading Rules. Cease trade orders have been issued by the Ontario Securities Commission and British Columbia Securities Commission for failure to file audited financial statements and associated documents. The Company is progressing on finalizing its audited financial statements, management discussion and analysis, and certification of annual filings for the year ended August 31<sup>st</sup>, 2019.

### **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: August 4, 2020 Dennis Petke

Name of Director or Senior Officer  
**“Dennis Petke”**

Signature

**President and CEO**

Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Alliance Growers Corp.</b>	For Month End <b>AUGUST 2020</b>	Date of Report YY/MM/DD <b>20/09/04</b>
Issuer Address <b>Suite 500 – 666 Burrard Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6C 3P6</b>	Issuer Fax No. <b>(778) 653-0750</b>	Issuer Telephone No. <b>(778) 331-4266</b>
Contact Name <b>Dennis Petke</b>	Contact Position <b>CEO</b>	Contact Telephone No. <b>(778) 558-7434</b>
Contact Email Address <a href="mailto:dennispetke@alliancegrowers.com">dennispetke@alliancegrowers.com</a>	Web Site Address <a href="http://www.alliancegrowers.com">www.alliancegrowers.com</a>	