FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Alliance Growers Corp.** (the “*Issuer*”).

Trading Symbol: **ACG**

Number of Outstanding Listed Securities: **56,100,809**

Date: **Month of December 2017**

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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 Botany Centre, strategic ACMPR (Access to Cannabis for Medical Purposes Regulations) investments, CBD oil supply and distribution, and research and development.

***Cannabis Botany Centre -*** Alliance Growers has entered into a binding Letter of Intent (“LOI”) with WFS Pharmagreen Inc. (“Pharmagreen”), and its proposed subsidiary BC New Co, to create a strategic relationship, together with equity participation by Alliance Growers and Pharmagreen, whereby Alliance Growers will acquire an equity interest in Pharmagreen’s subsidiary BC New Co (the "Proposed Transaction").

***Strategic ACMPR Investments*** *-*Through a serious of strategic partnerships and investments under negotiation with Licensed Producers at various stages in the license process, Alliance Growers is focused on securing long term plantlet sale contracts for the Cannabis Botany Centre and off-take agreements at wholesale cost for flower to be acquired by Alliance Growers for CBD oil extraction.

Alliance Growers has negotiated terms on a 5% interest in New Maple Holdings, the parent company of its wholly owned subsidiary, Canwe, a private company in Ontario that has assembled a top tier growing team with management with the expertise to expedite the license producer application process.

Alliance Growers currently holds a 50% interest in BC Maramed Production Ltd. (“BCMM”), which owns a leasehold interest and equipment for an 11,000 square-foot production facility in Kelowna, British Columbia. BCMM is a late stage applicant that submitted its ACMPR Application to Health Canada in 2014 to become a Licensed Producer of medical marijuana under Health Canada’s ACMPR program. Alliance Growers is also making a strategic investment in another private Company preparing to apply for an ACMPR producer’s license.

The Company is diligently moving forward with its application to become a Licensed Producer of medical marijuana under Health Canada’s Access to Cannabis for Medical Purposes Regulations (“ACMPR”). The application is in process through subsidiary BC Maramed Production Ltd. (“BCMM”).

Health Canada has streamlined the application, effective May 26, 2017. The application process for becoming a licensed producer of cannabis for medical purposes is now as follows:

1. Intake and Initial Screening
2. Detailed Review and Initiation of Security Clearance Process
3. Issuance of License to Produce
4. Introductory Inspection (as cultivation begins)
5. Pre-Sales Inspection
6. Issuance of License to Sell

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

Alliance is negotiating terms of a 20% equity investment in an Israeli medical cannabis company to obtain an offtake of pharmaceutical grade cannabinoid oil (CBD Oil) for global distribution.

Also, Alliance Growers has planned an equity investment to help partially finance [Canna Companion Products, Inc.](http://www.alliancegrowers.com/operations/www.cannacompanionusa.com) Canna is a wholly owned subsidiary of WFS PharmaGreen Inc. that produces and sells safe and effective cannabinoid infused pet products. Canna is a Washington State incorporated company that is the manufacturing, fulfillment and sales centre for the Canna products. This strategic investment in Canna provides two great advantages. One is the investment opportunity and the second agreement gives Alliance Growers the exclusive Canadian CBD oil supply contract from Canna.

***Research and Development* -** The Company intends to form partnerships with world class R&D cannabis specialists, such as certain companies in Israel.

***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.**

Alliance Growers, in connection with the acquisition of the land for the Cannabis Botany Centre, is working with FronTier Merchant Capital Group to assist with financing and investor awareness.

Alliance continues to maintain relationships with various financing groups in North America and Europe, specifically a Western European Financing group with offices in Amsterdam, New York, London and Germany.

The various financings of Alliance Growers projects is being structured in stages as the capital is required, and not at one time to prevent unnecessary shareholder dilution. The financings will be carried out over time in the form of straight equity, convertible debt, streaming or debt financing in the amount of USD$5 Million to USD$10 Million based on the underlying projects,

Also, the Company is in negotiations with several ACMPR applicants at various stages across Canada to acquire significant interests in their operations, via a shared financing mechanism. Due to the uncertainty with Canadian Public companies acquiring US cannabis related assets, Alliance has made the decision to focus on Canadian applicants.

**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.**

Alliance has entered into a binding Letter of Intent (“LOI”) with WFS Pharmagreen Inc. (“Pharmagreen”), and its proposed subsidiary BC New Co, to create a strategic relationship, together with equity participation by Alliance Growers and Pharmagreen, whereby Alliance Growers will acquire an equity interest in Pharmagreen’s subsidiary BC New Co (the "Proposed Transaction").

The execution of this LOI, to be followed by a formal Definitive Agreement, initiates the development of the Cannabis Botany Centre that Alliance and Pharmagreen have been working on for over one year. Pharmagreen principals have purchased the land required to build the Cannabis Botany Centre East of Mission, BC (the “Land”). The Land will be leased to own to BC New Co.

Alliance Growers will purchase BC New Co Shares equal to 15 % of the issued BC New Co Shares for total consideration of $1.5 Million CDN by March 15, 2018. Alliance Growers will have an option to increase its non-dilutive interest in BC New Co to 30% by the investment of a further $1.5 Million CDN by June 15, 2018. Alliance Growers made an initial payment of $250,000 toward the first obligation on December 21, 2017.

Alliance Growers will elect one of the three Directors of BC New Co, which will build and operate the Cannabis Botany Centre to permit the growth and sale of tissue culture plantlets, and storage of strains and nursery plants to wholesale, retail and medical markets.

The development of the Cannabis Botany Centre is consistent with Alliance Growers business plan to be in partnership with a range of cannabis sector business opportunities including strategic investments in ACMPR licensed cannabis producers. Alliance Growers has already acquired interests in two ACMPR applicants, most notably Canwe, a private company based in Ontario that has applied for its ACMPR license and is currently in the review and security clearance stage.

**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.**

Not applicable

**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.**

Not applicable

**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.**

Not applicable

**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.**

Not applicable

**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.**

**On December 18, 2017, the Company closed a financing announced November 20, 2017. The Company raised $833,850 for the issuance of 7,580,453 Units at a price of $0.11 per Unit.**

**Each Unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of $0.21 per share for a period of two years from the date the Units are issued.**

**The warrants are subject to an acceleration clause after the resale restrictions on the shares have expired. The expiry time of the warrants can be accelerated if the Company’s shares trade at or above a weighted average trading price of $0.30 per share for 10 consecutive trading days.**

**All shares and any shares issued upon the exercise of a warrant will be subject to a hold period of four months and one day from the date of closing, expiring April 19, 2018.**

**The proceeds from this financing will be used primarily for the Cannabis Botany Centre in order to enable Alliance to initiate its ACMPR license with Health Canada.**

**During December 2017, the Company issued 2,545,088 shares by way of exercise of warrants as to 1,170,500, 450,000 and 825,088 common shares for warrants exercised at $0.10, $0.15 and $0.21 per share respectively, and 1,425,000 shares by way of exercise of options, as to 250,000, 500,000, 550,000 and 125,000 common shares for options exercised at $0.05, $0.11, $0.13 and $0.20 per share respectively.**

**On December 19, 2017, the Company granted 1,850,000 options to directors, officers and consultants of the Company vesting immediately and exercisable into the Company’s common stock at $0.46 per share until December 19, 2022.**

**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: **January 25, 2018**

**Dennis Petke, CA**

*Name of Director or Senior Officer*

**/s/ *Dennis Petke***

*Signature*

**President and CEO**

*Official Capacity*

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| **Issuer Details**  *Name of Issuer*  **Alliance Growers Corp.** | *For Month End*  **DECEMBER 2017** | *Date of Report*  *YY/MM/DD*  **18/01/22** |
| *Issuer Address*  **Suite 500 – 666 Burrard Street** | | |
| *City/Province/Postal Code*  **Vancouver, BC V6C 3P6** | *Issuer Fax No.*  **(778) 653-0750** | *Issuer Telephone No.*  **(778) 331-4266** |
| *Contact Name*  **Dennis Petke** | *Contact Position*  **CEO** | *Contact Telephone No.*  **(778) 558-7434** |
| *Contact Email Address*  [**dennispetke@alliancegrowers.com**](mailto:dennispetke@alliancegrowers.com) | *Web Site Address*  [**www.alliancegrowers.com**](http://www.alliancegrowers.com) | |