FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **ACG**

Number of Outstanding Listed Securities: **59,690,309**

Date: **Month of February 2018**

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 Botany Centre, strategic ACMPR (Access to Cannabis for Medical Purposes Regulations) investments, CBD oil supply & distribution, and research & 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").

On February 7, 2018, Newsfile Corp. issued a News Release on behalf of Alliance Growers announcing the completion of Alliance's strategic $300,000 investment in Pharmagreen. The equity investment is a private placement in Pharmagreen for a total of $300,000 at a price of CAD $0.25 per share. The News Release can be viewed at https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00036417 under the Company's Issuer Profile.

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.

On February 22, 2018, the Company issued a News Release announcing the close of the final tranche of its subscription for 375,000 common shares of New Maple Holdings Ltd. The News Release can be viewed at https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00036417 under the Company's Issuer Profile.

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. 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 Growers 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 and Pharmagreen, whereby Alliance will acquire a 30% equity interest in Pharmagreen's subsidiary BC New Co (the "Proposed Transaction"). The execution of this LOI initiated the development of the Cannabis Botany Centre that Alliance and Pharmagreen have been working on for the past 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 initially to BC New Co. with an option to purchase at or near cost. BC New Co 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 has been progressing quickly on several key fronts and Alliance Growers is pleased to provide the following updates:

- The Fraser Valley Regional District, Electoral Area G, for Deroche has approved the land use on Bell Road, site of the Cannabis Botany Centre for cannabis production and cannabis related business.
- Company management has commenced discussions with FORTIS BC to bring natural gas to the location. This will benefit the surrounding community
- The hydrological engineering assessment report for the site to be completed this week
- B.R.I.M. Inc. research for the Cannabis Botany Center, on tissue culture protocols and plant development of cannabis strains, has shown that plants derived from tissue culture grow much faster and exhibit a significantly better plant structure compared to traditional cloning of plants. These plantlets will provide a significant advantage to cultivators producing on a large commercial scale.
- The Cannabis Botany Centre is poised to supply up to 300,000 plantlets per month to cultivators once built and operating at full capacity.
- There are numerous expansion capabilities with 25 acres of available land.

Alliance Growers has finalized the terms and conditions of the exclusive agreement to acquire a late stage licensed producer applicant, Biocannatech, 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 license. Once Health Canada is satisfied with a successful crop, Alliance Growers will be granted its distribution license.

Terms of the deal call for Alliance Growers to pay the following staged consideration, totaling $600,000 and 7,400,000 shares valued at a deemed price of $1.00 per share, in return for acquisition of 100% of Biocannatech:

a) $100,000 cash plus 1,350,000 shares on signing;
b) 1,450,000 shares released immediately at application approved for Ready to Build;
c) $500,000 plus 1,200,000 shares paid immediately at permits approved stage;
d) 1,700,000 shares released immediately at cultivation stage;
e) 1,700,000 shares released immediately at Health Canada ACMPR approval.

The shares will be issued at the closing, and all but 1,350,000 shares will be held in escrow and released in stages following completion of each of these milestones.

This is a key acquisition for Alliance Growers and its shareholders, as it integrates various components of its 'Four Pillars' Organization Plan, whereby the Company will become a licensed producer in the province of Quebec, along with the recently announced development of the Cannabis Botany Centre. This move opens access for distribution of tissue culture plantlets, not only to Biocannatech, but potentially to all licensed producers in Quebec.

Quebec represents approximately 20% of Canada's population, and the Province is anxious to develop a base of skilled licensed producers to provide a self-sustaining supply for Quebec based demand of both recreational and medical cannabis.

The initial Biocannatech facility is configured at 10,000 sq. ft. and is attached to a 120,000-sq. ft. warehouse to provide for phased expansion. Biocannatech will have the capacity to produce up to 1,000 kg per year initially, and be able increase that output in subsequent phases of expansion.

On February 21, 2018, the Company issued a News Release to provide its shareholders with a progress report on the acquisition of the Quebec late-stage ACMPR. The News Release can be viewed at https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00036417 under the Company's Issuer Profile.

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.

On February 27, 2018, the Company issued a News Release announcing that it had entered into advanced negotiations for a significant strategic investment with a privately licensed Jamaican cannabis company. The News Release can be viewed at https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00036417 under the Company's Issuer Profile.

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 February 5, 2018, the Company issued 430,000 shares by way of exercise of warrants at $0.10 150,000), $0.15 (150,000) and $0.21 (130,000) per share.

    On February 23, 2018, the Company issued 10,000 shares by way of exercise of warrants at $0.10 per share and 135,000 shares by the way of exercise of options at $0.05 (100,000) and $0.11 (35,000) per share.

    On February 28, 2018, the Company issued 25,000 shares by way of exercise of warrants at $0.10 per share.

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: **MARCH 7, 2018**

Dennis Petke, CA
Name of Director or Senior Officer

/s/ Dennis Petke
Signature

President and CEO
Official Capacity

Issuer Details *Name of Issuer* **Alliance Growers Corp.**	*For Month End* **FEBRUARY 2018**	*Date of Report* *YY/MM/DD* **18/03/07**
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**	*Web Site Address* **www.alliancegrowers.com**	

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