**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 JULY 2022

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

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.

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

1. 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 Medical Cannabis Company driven by the Company’s ‘Four Pillars’ Organization Plan – *Products and Services to Cannabis and Hemp Cultivators (Cannabis Biotech Complex), Strategic Alliances with Cannabis and Hemp Cultivators, CBD Infused Products and Research and Technology.*

***Products and Services to Cannabis and Hemp Cultivators (Cannabis Biotech Complex)*** – Through the expertise via Pharmagreen, the Company is able to provide products and services to cultivators in all areas of Agriculture, not limited to Hemp and Cannabis. Alliance Growers had entered into an Option Agreement with WFS Pharmagreen Inc. (“PharmaGgreen”) and its subsidiary, 1155097 BC Ltd. (1155097), to create a strategic partnership, 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. The Cannabis Biotech Complex will be constructed on the property controlled by 1155097 BC. Ltd.

Given COVID and other financing challenges in the cannabis space, including a smaller market in Canada due to lower demand than originally predicted, followed by LP failures, PharmaGreen has modified its engineering plans to develop a *smaller tissue culture facility to reduce its initial capex* to be more in-line with demand.

PharmaGreen continues to made strides in the cannabis space in California including a joint-venture on a specialty grow operation coupled with a tissue culture facility which will include the production of Live Rosin. It is expected that once the California tissue culture facility proves its economic viability coupled with available financing, PharmaGreen will begin construction/development of the Canadian tissue culture facility.

Due to ongoing COVID-19 causing continual interruption of business in general and specifically causing disruptions in obtaining financing, the anticipated completion for construction of the Canadian facility is undetermined at this time. Alliance maintains the 10% investment on its balance sheet at cost.

To Learn more about Pharmagreen's strategy to leverage its proprietary cannabis tissue technology, Chibafreen, please visit <https://update.pharmagreen.ca/>

***Strategic Alliances with Cannabis and Hemp Cultivators* -** Strategic alliances with hemp and cannabis cultivators (including investments in licensed producers and applicants), gives the Company access to valuable resources and adds value to the balance sheet with the potential of providing revenue.

Alliance Growers has been developing its plan to embrace the inevitable change by looking at partnerships with companies whereby Alliance Growers will provide its jointly developed proprietary cannabis and hemp products such as the CBD Dana strain as well as feminized hemp seeds

***CBD and THC Infused Products*** – Alliance Growers continues to review opportunities in the “CBD and THC Infused” products marketplace that are “self-financed” and have a realistic potential for success in providing revenue and cash flow.

***Research and Technology*** - The Company maintains a strategic relationship with PharmaGreen and B.R.I.M., a company that has expertise in all aspects of botany, specifically for our purposes, they are specialists in cannabis and hemp. Alliance Growers continues to seek strategic relationships with R&D cannabis and hemp specialists. As the business model for Alliance Growers evolves from a focus on medical marijuana only, to one of being a developer and distributor of a much wider range of cannabis and hemp related products, both within the jurisdictions where marijuana is permitted, and in those jurisdictions whereby certain cannabis and hemp products are not yet approved by the regulators but shall soon be. Management continues to identify opportunities to strengthen its Four Pillars organization Plan.

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

**Financing and Audited Financial Statements**

With certain COVID-19 related restrictions being lifted and travel opening up, the Company has been successful in identifying financing that is expected to fund the Company’s trading re-instatement initiatives.

Despite many obstacles, the Company continues with business development and with funding gradually coming into place, Alliance Growers is moving forward with the completion of its audits and compliance with all regulatory requirements to return to trading. As previously reported, the Company has expanded its work (in addition to the YE August 31, 2019) with its auditors to complete the August 31, 2020 and August 31, 2021 Annual Financial Statements, together with the interim filings for Q1, Q2 and Q3 for the August 2022 Year End. Management is optimistic that it will complete its audits and other regulatory financial reporting and filings by the end of 2022.

**Self Financed Arrangements with Companies Producing CBD and THC Infused Products**

Alliance Growers continues to review opportunities that In the “CBD and THC Infused” products market place that are “self-financed” and have a realistic potential for success in providing revenue and cash flow.

Of the many opportunities presented regularly, The Company is currently negotiating two such arrangements that are “self-financed”.

**Canadian distillery to supply spirits to be infused with CBD**

In 2021, Alliance Growers entered into an MOU to acquire all the issued and outstanding shares of a private British Columbia based Vodka company (“Octavia”). The Octavia acquisition includes equipment for distillation, filtration and bottling, the bulk of which was purchased in 2020. Under the Alliance umbrella, Octavia will continue to produce and distribute its Premium Octavia Vodka, Espresso Flavoured Octavia Vodka and a Specialty Spirit, all with low-alcohol options.

Due to the ongoing COVID-19 and its variants, creating timing uncertainties, discussions are temporarily on hold with Octavia to supply spirits to be infused with CBD. Subject to Canadian and US regulations, Octavia and Alliance will jointly develop, produce and distribute CBD infused spirits under the Octavia brand and other in-house brands, with both low-alcohol and no-alcohol options. As the regulations surrounding the production and distribution of CBD infused spirits in both Canada and the US continue to evolve, management will be working with Octavia and our strategic partners to be ready when the time comes.

The private company already has a premium vodka product that will be re-launched for distribution in Canada. There will be a financing concurrent with the arrangement which is expected to include acquisition of the distillery e. Management expects to finalize an arrangement by October 31, 2022.

**Self Financed Arrangement with a Quebec Company with Hemp and Cannabis Licenses**

Alliance Growers continues discussions regarding product line-up and structure with a Quebec company that has an all-encompassing Hemp Licence along with certain novelty/unique hemp products. In addition the Quebec company holds a Cannabis Research Licence which opens up more opportunities for Alliance Growers. The Hemp License allows the Quebec company to grow hemp, sell hemp and hemp seeds, export hemp and produce and distribute hemp derived products. They also maintain a Cannabis Research License and have other cannabis and hemp resources. This arrangement will be another “self-financed” opportunity that has realistic potential for success in providing revenue and cash flow.

**Joint Venture/Business Arrangement – Branded European and Canadian Dispensaries**

The Company has been approached by a private group to develop a structure within Alliance to invest $5 Million into the retail cannabis industry, specifically in European cities that are in the process of allowing the sale of cannabis products for Adult Recreational purposes via regulated dispensaries. The European market has high demand and we expect dispensaries there to flourish. Alliance brings various cannabis and hemp expertise as well as a vehicle for raising capital and offering liquidity for its shareholders. The private group brings its own cannabis and hemp expertise in all aspects of operations including regulatory requirements. The group brings a globally recognized and experienced team from the federally regulated Canadian cannabis industry as well as a top tier grow team. They also have celebrity level investors in their company which will benefit the arrangement immensely, creating awareness for the unique branded European and Canadian dispensaries to be developed, featuring their own branded products among others.

**Premium Cannabis and THC Infused Consumable Products.**

In April 2022, The Company began preliminary discussions with a private BC Group that has three business units that we were considering folding into Alliance Growers. Initial discussions involved vending in one of business that was currently developing sales channels for white labeled CBD products to top tier drugstore retailers and others. Discussions have been discontinued due to The BC Groups’ inability to raise capital.

1. **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

1. **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

1. **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.**

See Section 2.

1. **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

1. **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

1. **Describe the acquisition of new customers or loss of customers**

Not applicable

1. **Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.** None
2. **Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.**

Not applicable

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

Not applicable

1. **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.

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

Not applicable.

1. **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.

1. **Provide details of any loans to or by Related Persons.**

None

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

None

1. **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 years ended August 31st, 2019, August 31, 2020, and August 31st, 2021, together with interim quarterly reports for the year ended August 31, 2022.

# 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 5, 2022 Dennis Petke

*Name of Director or Senior Officer*

**“*Dennis Petke”***

*Signature*

## President and CEO

### Official Capacity

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| **Issuer Details**  *Name of Issuer*  **Alliance Growers Corp.** | *For Month End*  **JULY 2022** | *Date of Report*  *YY/MM/DD*  **22/08/05** |
| *Issuer Address*  **Suite 500 – 666 Burrard Street** |  | |
| *City/Province/Postal Code*  **Vancouver, BC V6C 3P6** | *Issuer Fax No.*  **(778) 652-5012** | *Issuer Telephone No.* **(778) 331-4266** |
| *Contact Name*  **Dennis Petke** | *Contact Position*  **CEO** | *Contact Telephone No.* **(778) 558-7434** |
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