

## 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 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 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 2020.

**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.

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.**

Alliance growers had entered into discussions with regard to several opportunities in the United States and internationally. In one case, Alliance was considering acquiring 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. However, due to the increasing limitations and other obstacles for obtaining permits in California, Alliance has ceased all discussions in that State for the time being.

Another opportunity being pursued in the United States is a Nevada, Hemp Operation. Alliance Growers is in discussions to partner on a portion of a 120-acre parcel of land in Nevada, USA to grow CBD-rich hemp. Under the proposed agreement, Alliance Growers will finance the initial cost of hemp seeds in exchange for a portion of the 120-acre parcel of land in Nevada. In consideration for the investment, the Nevada partner will provide all the necessary capital and consumable supplies and they will plant, grow and harvest the hemp. The harvest will be shared accordingly, and at the option of Alliance, the Nevada partner will arrange for the processing and sale of the biomass at no less favourable terms than those found in their current supply agreements. The Nevada partner has enjoyed previous success in cultivating Hemp in Nevada with CBD levels between 10% and 19%.

Outside of North America, Alliance is negotiating a farm-in agreement with a private company that will cultivate and exclusively process, package and export all CBD, medical cannabis, extracted oils and related pharmaceutical products in an east African country. The East Africa project is essentially a turn-key operation to grow medical Cannabis for export to the EU, primarily Germany. We are starting with 10 acres and are able to increase up to 100 acres, as this project has 3,000 acres in total and there will be multiple partners. The cultivation plan includes being GACP and GMP certified (German standards) and robust enough, to ensure constant supply to primary German pharmacies but also other European countries once they're fully legalized and regulated. We will be involved in projects in two locations. Both locations are situated close to the equator, both have the requisite sunshine and rainfall, tested and suitable soils, plus natural water readily available. Labor and taxes have been set in all our locations at the lowest levels seen globally, and logistics are secure and transparent.

Financing for these transactions would be conducted in amounts sufficient to enable the Company to fund the proposed ventures. The amounts being raised and the terms of any financings are yet to be established. Although interest for the financing has shown strong progress for these transactions, in addition to the usual due diligence, proceeding with them is entirely contingent on sufficient financing being raised for Alliance Growers to participate.

In BC, Pharmagreen has received notification concerning its application submitted under the Cannabis Regulations to become a license holder. Health Canada has completed a preliminary and high-level review of the license application and based on the information assessed, Health Canada has no critical concerns with the application at this time.

Now that Pharmagreen has received confirmation that all the required information for the application submitted to date has been accepted by Health Canada, the next phase for the company is to commence construction. Once the Cannabis Biotech Complex is completed, Health Canada will conduct its final inspection before granting the license. Pharmagreen reports that, once fully operational, it plans to produce 1 million sellable starter plantlets per month to cannabis licenced producers and CBD hemp farmers, with Pharmagreen projecting gross annual revenues projected at \$120 Million proving a gross profit margin of \$80 to 90 Million.

**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.**

On July 31, the Company granted a consultant 1,000,000 options at an exercise price of \$0.055 with a one year term. As well, the Company cancelled 2,400,000 options originally granted at \$0.20 on September 24, 2018.

**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: **AUGUST 9, 2019**

**Dennis Petke, CA**

*Name of Director or Senior Officer*

**“Dennis Petke”**

*Signature*

**President and CEO**

*Official Capacity*

<b>Issuer Details</b> <i>Name of Issuer</i> <b>Alliance Growers Corp.</b>	<i>For Month End</i> <b>JULY 2019</b>	<i>Date of Report</i> <i>YY/MM/DD</i> <b>19/08/09</b>
<i>Issuer Address</i> <b>Suite 500 – 666 Burrard Street</b>		
<i>City/Province/Postal Code</i> <b>Vancouver, BC V6C 3P6</b>	<i>Issuer Fax No.</i> <b>(778) 653-0750</b>	<i>Issuer Telephone No.</i> <b>(778) 331-4266</b>
<i>Contact Name</i> <b>Dennis Petke</b>	<i>Contact Position</i> <b>CEO</b>	<i>Contact Telephone No.</i> <b>(778) 558-7434</b>
<i>Contact Email Address</i> <b><a href="mailto:dennispetke@alliancegrowers.com">dennispetke@alliancegrowers.com</a></b>	<i>Web Site Address</i> <b><a href="http://www.alliancegrowers.com">www.alliancegrowers.com</a></b>	