FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Alliance Growers Corp.** (the “*Issuer*”).5

Trading Symbol: **ACG**

Number of Outstanding Listed Securities: **39,959,768**

Date: **Month of May 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 executed an agreement with Botanical Research In Motion Inc. (B.R.I.M.) for a Canada-exclusive license to jointly develop and operate a 40,000-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.

***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% non-dilutive 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 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.**

The Company has executed on the term sheet for a financing commitment offered by Alumina Partners (Ontario) Ltd., a subsidiary of Alumina Partners LLC, a New York-based private equity firm, for a $5 Million equity facility in a series of private placements, with an option to extend the commitment up to $10 million.

The purpose of the Equity Facility is to provide the Company with continuous funding for its integrated projects at progressive intervals that are consistent with the value of the Company at each stage of its development and growth.

The Company is proceeding, subject to market pricing, with the first tranche of the offering today by issuing 1,000,000 units at an issuance price of 10.5 cents per unit, as well as the issuance of 150,000 common shares, representing a portion of the commitment fee in respect of the equity facility. Each unit consists of one common share and one share purchase warrant, exercisable at $0.21 per share for a period of two years. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of $0.30 per share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

On April 7, 2017, the Company announced a non-brokered private placement of up to 3,800,000 units (the "Units") at a price of $0.11 per Unit, for gross proceeds of up to $418,000. Each Unit is comprised of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.21 per share, for a period of two years from the date the Units are issued. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of $0.30 per share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

**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.**

Not applicable.

**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.**

The private placement announced April 7, 2016 has closed the first tranche of the financing. The Company raised $179,300 for the issuance of 1,630,000 units (the "Units") at a price of $0.11 per Unit.

Each share purchase warrant will entitle the holder to acquire one additional common share in the capital of the Company 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.

In addition, the Company has paid Agents and Finders Fees totalling $1,760 and issued 16,000 broker warrants exercisable at $0.21 on the same terms as the Private Placement share purchase warrants. All securities issued pursuant to the placement will be subject to a hold period of four months and one day from the date of closing.

**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  **June 6, 2017** .

**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*  **MAY 2017** | *Date of Report*  *YY/MM/DD*  **17/06/06** |
| *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) | |