

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: ALLIANCE GROWERS CORP. (the “*Issuer*”).

Trading Symbol: ACG

Number of Outstanding Listed Securities: 75,179,783

Date: MONTH OF SEPTEMBER 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 Biotech Complex, strategic ACMPR (Access to Cannabis for Medical Purposes Regulations) investments, CBD oil supply & distribution, and research & development.

Cannabis Biotech Complex - 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 a 30% non-dilutive equity interest in Pharmagreen’s subsidiary BC New Co (the "Proposed Transaction").

Alliance Growers and Pharmagreen are jointly working to develop and operate a 62,000-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 proprietary tissue culture propagation, specifically the “Chibafreen Invitro Plant Production System”, which assures consistent composition and purity of each plantlet for the growers.

In July, 2018 Pharmagreen announced it is currently completing its pre-construction phase of its 62,000 square foot Cannabis Biotech Complex. Pharmagreen has filed for regulatory approval from Health Canada for the cannabis biotech complex. The facility will supply over ten million cannabis tissue culture starter plantlets on an annual basis, operating at full capacity. The Company’s plan is reach over ninety percent of production capacity in the first year.

Strategic ACMPR Investments - Through a series 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 Biotech Complex and off-take agreements at wholesale cost for flower to be acquired by Alliance Growers for CBD oil extraction.

The Company is a medical cannabis company first, as it has been confirmed that medical cannabis has a global reach and is politically stable. With the roll-out of recreational use or adult-use of cannabis, Alliance Growers anticipates a significant change in the current informal medical cannabis dispensary model. It is expected that most of the existing un-licensed dispensaries, operating in the grey area, will be replaced by the more traditional clinic-pharmacy model, whereby patients will see their doctor or a new doctor and are able to fill their prescriptions either in-store or online with Alliance and Pharmagreen proprietary products, for example.

To that end 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. Meetings with several industry experts on our road trips in Vancouver, Montreal and Toronto have essentially confirmed that Alliance Growers is on the right path for success in the medical cannabis sector beyond owing ACMPR licenses.

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

Alliance is continuing its negotiations of 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.

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.

In May, 2018, the Company executed a Letter of Intent (“LOI”) with Spyder Vapes Inc., and its shareholders, whereby Alliance Growers was to purchase all of the shares of Spyder Vapes for 10,000,000 ACG shares. On July 31, 2017, the Company announced that the LOI has been terminated. The Company will continue to look for other distribution opportunities as the date for legalization of recreational and medical marijuana approaches.

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 Biotech Complex, 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 are 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.

Alliance Growers closed two tranches of the current Private Placement during September, for total gross proceeds of \$842,463.

The Company announced that its partner in the development of the Cannabis Biotech Complex, WFS Pharmagreen Inc. (“Pharmagreen”), put forth the proposed development of the Cannabis Biotech Centre to the Fraser Valley Regional District Electoral Area Services Committee on September 5, and the proposed development was unanimously approved by this committee.

The Company also announced that all local permits are in place for construction to commence at BiocannaTech, the Company’s wholly owned Quebec facility undertaking an Access to Cannabis for Medical Purposes Regulations (“ACMPR”) application in Montreal, Quebec. Architectural design plans for the construction of the facility have been completed, permits received and demolition has commenced at the site on September 20, 2018.

On June 7, 2018, the Company announced an application for a listing on the OTCQB Venture Market. The application is progressing through the month of October 2018.

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 August 29, 2018 the Company raised \$842,463 with the issuance of 6,017,599 units (the "Units") at a price of \$0.14 per Unit for tranches which closed in September, 2018. In connection with these raises, the Company issued a Finders Fee of 2133,394 Units. The Finders Fee Units are issued on the same terms as the Private Placement share purchase warrants. All securities issued pursuant to the placements will be subject to a hold period of four months and one day from the date of closing.

On August 31, 2018 the Company proposed to issue 875,000 Shares to the insiders of the Company to at a price of \$0.20 per Share to settle aggregate liabilities of \$175,000. The Shares are subject to a hold period of four months and one day from the date of closing.

On September 24 and 26, 2018, the Board of Directors has approved the grant of 5,650,000 options to directors, officers and consultants of the Company, which options are exercisable into common shares of the Company at a price of \$0.20 per share. Subject to the rules of the Canadian Securities Exchange and the Company's Stock Option Plan, the options have a term of five years.

- 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: **OCTOBER 10, 2018**

Dennis Petke, CA
Name of Director or Senior Officer

"Dennis Petke"
Signature

President and CEO
Official Capacity

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| Issuer Details <i>Name of Issuer</i> Alliance Growers Corp. | <i>For Month End</i> SEPTEMBER 2018 | <i>Date of Report</i> <i>YY/MM/DD</i> 18/10/10 |
| <i>Issuer Address</i> Suite 500 – 666 Burrard Street | | |
| <i>City/Province/Postal Code</i> Vancouver, BC V6C 3P6 | <i>Issuer Fax No.</i> (778) 653-0750 | <i>Issuer Telephone No.</i> (778) 331-4266 |
| <i>Contact Name</i> Dennis Petke | <i>Contact Position</i> CEO | <i>Contact Telephone No.</i> (778) 558-7434 |
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