FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **ACG**

Number of Outstanding Listed Securities: **27,778,527**

Date: **Month of August 2016**

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 ongoing 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.

**The development of Alliance business and operations over the previous month involves the thorough review of various joint business interests and opportunities available with Pharmagreen which could result in a full merger, thus rounding out the entire Four Pillars Organizational Plan (described below) all at once. The review of various joint business interests is in conjunction with the Letter of Intent with WFS Pharmagreen Inc. to obtain an exclusive license for the commercialization of the “Chibafreen Invitro Plant Production System” in Canada. The other significant development**

**Alliance Growers Corp. is a diversified cannabis company driven by the Company’s ‘Four Pillars’ Organization Plan-: Marijuana for Medical Purposes Regulations (“MMPR”) licensed facilities, distribution networks, consumer products, and research and development - to focus Alliance Growers’ potential for success in the medical marijuana market.**

**MMPR -Alliance 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 has submitted an application to become a Licensed Producer of medical marijuana under Health Canada’s MMPR program. Upon receipt by BCMM of an approved MMPR Production License from Health Canada, a further 12.5% interest in BCMM will be transferred to Alliance.**

**Distribution Networks-The Company continues to look for attractive acquisition opportunities and commercial relationships in Canada, Washington State, Colorado and Oregon and other states for medical Cannabis.**

**Consumer Products-The Company is constantly seeking new accretive acquisition opportunities as well as commercial relationships for its Consumer Products division. Alliance is currently in discussions with entities that will source, develop, distribute and sell cannabis related paraphernalia and edibles through retail establishments located in the emerging permitted US and Canadian markets.**

**Research and Development-the Company will be heavily engaged in research and development including certain product development.**

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

**As the business model for Alliance 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 organizational Plan.**

**Management is currently in discussions with entities that will source, develop, distribute and sell cannabis related paraphernalia and edibles through retail establishments located in the emerging permitted US and Canadian markets. In addition, Alliance is in discussions with suppliers in Canada, USA and Mexico sourcing health products made from natural ingredients such as hemp and cactus.**

**Management is also identifying opportunities to create partnerships or direct ownership of dispensaries and retail outlets in both BC and Washington State.**

**In addition to continued negotiations with regard to the Letter of Intent with WFS Pharmagreen Inc. on obtaining an exclusive license for the commercialization of the “Chibafreen Invitro Plant Production System” in Canada, Alliance management continues discussions with PharmaGreen for the development of a 40,000 square foot facility (the “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.**

**To finance the development of the Facility, the Company has engaged DGWA, the German Institute for Asset and Equity Allocation and Valuation, known and respected as one of the leading German Corporate Boutiques for global small and mid-cap consulting and investments. To augment this, Alliance has applied for a listing on the Frankfurt Stock Exchange, as the beginning of a European partnership with DGWA.**

**In order to increase market awareness and to assist with initial financing prior to its European financing, Alliance has been in discussions with a Canadian based merchant capital firm. In addition to assisting Alliance in assessing its market needs and providing necessary solutions, this firm can help the Company establish lasting and valuable long term relationships with their clients and the financial community throughout North America. It is anticipated that such a relationship would augment the DGWA program for Europe.**

**Alliance is continuing its review of Canna operations and further due diligence on the proprietary Tissue Culture “Chibafreen Invitro Plant Production System” as well as further discussions regarding additional joint business interests and opportunities with PharmaGreen, including the potential of a full merger of Pharmagreen and its subsidiary Canna Companion with Alliance Growers.**

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.

**Alliance has applied for a listing on the Frankfurt Stock Exchange. To facilitate the listing, as the beginning of a European partnership, the Company has engaged DGWA, the German Institute for Asset and Equity Allocation and Valuation, known and respected as one of the leading German Investment Banking Boutiques providing global small and mid-cap financial market advisory services. DGWA is not a related party.**

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 provide details of the relationship.

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 trade-marks.

**Not applicable.**

10. Report on any employee hirings, 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.

**Pursuant to the director and advisory services agreements and consulting agreements entered into with each of its three directors and its three advisors, together with services agreements with its CFO, its CEO and certain consulting contracts, whereby the Company agreed to pay fees plus issue common shares for each month of service to the aforementioned parties, Alliance has issued an aggregate of 630,000 common shares of the Company at a deemed price of $0.05 per share.**

14. Provide details of any securities issued and options or warrants granted.

**Alliance has issued an aggregate of 630,000 common shares of the Company at a deemed price of $0.05 per share for contracted services.**

15. Provide details of any loans to or by Related Persons.

**Not applicable.**

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  **September 9, 2016** .

**Dennis Petke**

*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*  **AUGUST 2016** | *Date of Report*  *YY/MM/DD*  **16/09/09** |
| *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) | |