FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **ACG**

Number of Outstanding Listed Securities: **35,385,527**

Date: **Month of February, 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 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.

**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. (BRIM) 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.**

**ACMPR - Alliance Growers has rights to 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.**

**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. 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.**

**Alliance has entered into discussions with an Israeli medical cannabis company to create a joint venture to develop pharmaceutical grade cannabidiol oil (CBD Oil).**

**RESEARCH AND DEVELOPMENT - The Company will be heavily engaged in research and development including certain product development.**

**The Company is investing in several cannabis industry participants, ranging from co-developing a Cannabis App for use by the cannabis industry and its markets, to negotiating business arrangements with several companies for the purchase and sale between the parties of live cannabis plants, tissue culture plantlets and other cannabis products and services.**

**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.**

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

**The Company has finalized a Definitive Agreement with Botanical Research In Motion Inc. to build a 40,000 square foot facility (the “Botany Centre”) to service the Cannabis market specifically and the agriculture market in general. BRIM will also grant to Alliance Growers an exclusive Canadian license (the “License”) regarding certain of BRIM’s proprietary technology.**

**As well, Alliance Growers is building strategic partnerships and distribution networks while securing long-term plantlet supply contracts and flower off-take agreements for CBD oil extractions. The CBD market is growing at a very high rate and is expected to reach over $2 billion by 2020. Alliance Growers will also target the U.S. market where 28 states plus the District of Columbia have legalized medical marijuana and 15 other states that currently allow for the sale of CBD products.**

**The Company has planned an equity investment to finance Canna Companion Products, Inc. (“Canna”). Canna is a wholly owned subsidiary of WFS PharmaGreen Inc. (“Pharmagreen”) that produces and sells whole-plant hemp pet supplements. Canna, a Washington State incorporated company, is the manufacturing, fulfillment and sales centre for the Canna products. The arrangement calls for Alliance Growers to invest CAD$300,000 on favourable financial terms with regard to pricing and warrants, in return for an exclusive long term (“Cannabinoid”) CBD oil supply contract when Canna expands to the Canadian market, planned for later 2017.**

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.

**The Botany Centre, when complete, will total approximately 40,000 square feet and will be developed in phases.  The initial phase of development is anticipated to be approximately 7,000 square feet of lab and office space.  This initial component is the building block to the complete facility, and it will be first to generate revenue.**

**The facility will also generate revenue from co-developing products utilizing botanical oils, primarily from cannabis. The details of potential revenue are still under discussion as to proprietary formulations currently being developed and under testing. Revenues may be also be derived from extraction as retail services to cultivators, as we prepare for legalization in Canada. Further potential revenue streams will be disclosed in due course.**

**After two months of searching, the Company has identified the ideal property for its Cannabis Botany Centre. Working with Peter Wojcik of B.R.I.M., one property has been chosen by Alliance Growers to make an offer on, as it is the best fit for the Cannabis Botany Centre. It consists of 40 acres of land in Miracle Valley, east of Mission with some of the best water quality in the Greater Fraser Valley. This property has zoning that is approved for Health Canada Licenced Producer facilities. Located in the Agricultural Belt, this property is ideal for the Cannabis Botany Centre, with the potential to develop 1 million square feet plus of useable land. Mr. Wojcik has previously received approval from the municipality for ACMPR use in this area on a different project.**

**The Company is working with a private B.C. company to co-develop a cannabis marketplace app (“Canna App”). The Canna App marketplace has been under development for several months and is designed to capitalize on the current and coming medical and recreational marijuana revolution. It is intended to mesh seamlessly with the products and services offered by Alliance Cannabis Botany Centre. It will provide a means for Licensed Growers and dispensaries to advertise products, facilitating sales and deliveries between Licensed Growers, dispensaries and customers, and aggregating social interactions. The marketplace will be also be user-content driven, allowing it to expand rapidly to meet market demands. The marketplace will be a full-service solution to sourcing, variety, selection, sales and delivery.**

**The Canna App will be a valuable tool for anybody involved in the cannabis industry, from growers to end users and all points in between. This would include providers of equipment for growing and extraction, plant nutrients, product packaging and other service providers in the industry.**

**The Canna App will position itself to be the eBay and Amazon of medical and recreational marijuana sales. Due to its user-driven model, the business will be able to expand into the national and international markets, wherever legally available. The Canna App will also provide unique access to potential customers looking for services that are provided by the Cannabis Botany Centre.**

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.

**The Company has executed the founders agreement with a private Health Canada Licenced Producer Applicant based in Ontario that has assembled a top tier growing team with management that has the expertise to expedite the license producer application process.**

**Previously, on December 6, 2016, Alliance announced that it has entered negotiations to acquire a 10% non-dilutive interest in this private company. After a series of negotiations, the parties have agreed on a 5% non-dilutive interest and are finalizing terms this week.**

**The next step is the execution of the final agreement with a $25,000 first payment for the equity investment. The agreement will include long term plantlet supply contract and an offtake agreement at wholesale cost for flower to be used for CBD oil extraction at the Cannabis Botany Centre.**

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.

**The Company has closed the first tranche of instalment of its subscription for common shares in New Maple Holdings. Ltd. (“New Maple”), the parent company of Canwe Growers Inc. (“Canwe”). Canwe is an Ontario-based company preparing to apply for a producer’s license under the *Access to Cannabis for Medical Purposes Regulations* (the “ACMPR”). Canwe has access to a 22 acre property 1.5 hours north-west of Toronto, where it plans to build a facility focused on producing clean, premium quality cannabis. Canwe has amassed a stellar team which includes licensed producer MedReleaf Corp.’s former Head Grower and his number two aide, both of whom are expert cannabis growers who intimately know the cannabis cultivation cycle from seed to sale. With Alliance Growers’ four-pillar strategy and Canwe’s experienced team, the two companies plan to work together to form business synergies with the goal of creating a strong presence in Canada’s fast-growing medical cannabis space.**

**Alliance Growers has subscribed for a total of 375,000 common shares of New Maple at a cost of $1.00 per share, which would represent approximately 5% of the outstanding shares of New Maple if the subscription was filled in its entirety today. Alliance Growers acquired an initial common share of New Maple upon incorporation and has acquired an additional 25,000 common shares for $25,000. Alliance Growers is expected to fulfil its commitment to acquire the remaining 350,000 shares by April 30, 2017 for an additional $350,000, failing which New Maple can repurchase all of its shares from Alliance Growers at the original issuance price. The funds are expected to be used by Canwe to prepare its application for a producer’s license in accordance with the ACMPR.**

**In conjunction with the investment, New Maple and Alliance Growers have entered into a non-binding letter of intent for the negotiation of a business arrangement for the purchase and sale between the parties of live cannabis plants, tissue culture plantlets and other cannabis products and services subject to applicable law and the availability of products between the parties. Alliance Growers will not be able to acquire any such products from Canwe unless Canwe obtains its producer’s license from Health Canada and agrees to enter into a business arrangement with Alliance Growers.**

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.

**Edmund Obasi has joined the Company’s Advisory Board. Edmund Obasi has 14 year of relevant business experience, specializing in public companies business financing, private placements and medical marijuana related investments. Mr. Obasi is currently serving as the Chief Executive Officer, Chief Investment Officer and Director of Obasi Investment Limited, a private investment company registered in Alberta. Mr. Obasi completed his Master’s Degree in Applied Mathematics from the University of Waterloo Ontario. His diversified experience covers a wide range of business activities include oil and gas, mining, real estate, cannabis and related products. Over the past several years, Mr. Obasi has been focusing extensively on research and investments in cannabis related public companies and the cannabis sector.**

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 Company issued 200,000 common shares from exercise of stock options at $0.05 per share.**

**The Company has approved a settlement with certain of its creditors for previously incurred debts, and pursuant to the director and advisory services agreements and consulting agreements entered into with each of its four 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, the Company plans to issue an aggregate of 1,058,904 common shares of the Company at a deemed price of $0.125 per share. At the time of the settlement, the closing price of Alliance Growers common shares was $0.165. All securities issued pursuant to this settlement 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.

**The Company has entered into a loan agreement with Obasi Investments Ltd. of Calgary, Alberta (the “Lender”). The Lender has advanced the Principal Amount of $27,000 to Alliance Growers (the “Loan”) plus 10% interest. The Loan is expected to be repaid during March 2017.**

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  **March 21, 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*  **FEBRUARY 2017** | *Date of Report*  *YY/MM/DD*  **17/03/21** |
| *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) | |