

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Alliance Growers Corp. (the "Issuer").

Trading Symbol: ACG

Number of Outstanding Listed Securities: 25,053,152

Date: Month of January 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**

- (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.

#### ***Amendments to BC Maramend Production ("BCCM") Acquisition Agreement***

**Further to an agreement dated August 22, 2014, whereby the Issuer agreed to acquire a 45% interest in BCMM, a company located in Kelowna, British Columbia, for an aggregate cost of \$225,000, it has entered into the following amendment agreements with respect to an acquisition of additional interests in BCMM:**

1. **In December 2014, the Issuer agreed to issue 6,600,000 common shares in its capital stock to the five shareholders of BCMM to purchase the remaining 55% interest in BCMM, which acquisition was subject to BCMM receiving a medical marijuana production and distribution license issued by Health Canada e under the Marihuana**

for Medical Purposes Regulations (the “License”) on or before December 31, 2015.

2. Effective December 31, 2015, two BCMM shareholders, holding an aggregate of 17.5% of the remaining 55% interest in BCMM, agreed to extend their respective agreements with the Issuer to December 31, 2016. Upon receipt of the License or earlier as agreed by the parties, their 17.5% interest in BCMM will be transferred to the Issuer upon the issuance of 2,100,000 common shares in its capital stock. Subsequently, one of the shareholders agreed to sell their 5% interest to the Issuer in consideration of the issuance of 600,000 common shares in the capital of the Issuer, effective immediately.

Accordingly, the Issuer now holds a 50% interest in BCMM, and will acquire an additional 12.5% interest upon receipt of the License or earlier. The Issuer was unable to come to an agreement with the remaining BCMM shareholders to acquire the remaining 37.5% interest in BCMM.

#### *Debt Conversions*

The Issuer agreed to settle debt totaling \$38,358.75 with two related parties pursuant to their respective services agreements by the issuance of an aggregate of 767,175 common shares in the capital stock of the Issuer at a deemed price of \$0.05 per share.

#### *Change in Directors*

Matthew Jackson resigned as a director, effective January 12, 2016 and Mr. Sina Pirooz was appointed in his place.

#### *New Advisory Board*

The Issuer formed an Advisory Board consisting of Ian Lambert, Strategic Advisor, Charles Rendina, Regulatory and Financial Advisor and Robert Carveth, Biotechnology and Government Relations Advisor.

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

The Issuer is focused on becoming a vertically-integrated company in the medical marijuana market through interests in cannabis production facilities, medical marijuana-related technologies, and/or laboratory testing services either through direct ownership or joint venture agreements. In addition, the Issuer will be developing health related products from hemp, cannabidiol (CBD) and marijuana. Further information related to these activities will be disclosed in future reports.

The Issuer currently holds 50% interest in the issued and outstanding shares of BC Maramed Production Ltd. (“BCMM”). BCMM owns a leasehold interest and equipment for an 11,000 square foot production facility in Kelowna, British Columbia and is in the process of applying to become a Licensed Producer of medical marijuana under Health Canada’s new Marijuana for Medical Purposes Regulations (“MMPR”). An additional 12.5% interest in BCMM is due to be transferred to the Company upon receipt by BCMM of an approved MMPR Production License from Health Canada pursuant to the terms of signed agreements with certain shareholders of BCMM. In connection with the transfer of the remaining 12.5% interest in BCMM to the Company, the Company is required to issue

**1,500,000 common shares to the holders of the 12.5% interest in BCMM. The agreements with those shareholders of BCMM terminates on December 31, 2016.**

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 provide 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 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.

**The Issuer has agreed to settle debt totaling \$38,358.75 with two related parties pursuant to their respective services agreements by the issuance of an aggregate of 767,175 common shares in the capital stock of the Issuer at a deemed price of \$0.05 per share.**

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

**A total of 767,175 common shares were issued at a deemed price of \$0.05 per share to two related parties to settle debt for services totaling \$38,358.75.**

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.

**Matthew Jackson resigned as a director, effective January 12, 2016 and Mr. Sina Pirooz was appointed in his place.**

**Mr. Pirooz is a registered and practicing pharmacist and a professional member of the College of Pharmacists of British Columbia since 2002, with over ten years of pharmaceuticals and pharmacy management experience. As President of SP RX Services, an established pharmacy consulting company, Mr. Pirooz provides consulting, pharmacist and pharmacy management services to many of Canada's largest and established drug store chains, pharmacy chains and independent pharmacies and drug stores, including Shoppers Drug Mart, Rexall Drugs, Pharmasave and Guardian Pharmacies. He is also actively engaged in the sales, marketing and export of pharmaceuticals and OTC drugs and health supplements to the Middle East. As owner of a compounding pharmacy in Vancouver, Mr. Pirooz has been compounding and dispensing pharmaceuticals for over ten years. Mr. Pirooz will be assisting Alliance with certain product development with his expertise in compounding, sales, marketing and export of pharmaceuticals.**

**The Issuer formed an Advisory Board consisting of Ian Lambert, Strategic Advisor, Charles**

**Rendina, Regulatory and Financial Advisor and Robert Carveth, Biotechnology and Government Relations Advisor.**

**Mr. Lambert holds a Bachelor of Commerce degree in quantitative analysis and computer science from the University of Saskatchewan. His strengths are in corporate management, structuring and strategic planning, regulatory compliance with both the SEC and Canadian regulatory authorities, public financing arrangements and investor and institutional marketing activities. Mr. Lambert's broad exposure to a wide range of business activities includes oil & gas development, marketing, manufacturing, mobile technology, data processing operations and software development, as well as precious metals and mineral exploration and development. He is currently a director and / or officer and advisor to several Canadian public and private companies. As CEO and a director of Trade Winds Venture Inc., a TSX Venture Top 50 company developing a 4.65 million ounce gold project in Ontario for twenty one years, Mr. Lambert successfully completed the sale of Trade Winds Ventures to Detour Gold Corporation, valued at \$84 million. In addition to serving as management of a variety of public companies, he has acted as Chair of several corporate committees, including Corporate Governance, Audit, and Compensation.**

**Mr. Rendina is an international business lawyer, licensed to practice law in Washington and British Columbia, with over 26 years of experience advising business clients in the USA and Canada on various cross border transactional matters. Mr. Rendina has provided advice and services negotiating mergers and acquisitions, negotiating and documenting significant loan transactions, intellectual property license agreements, private placements and other financings. He is currently the owner of Rendina Law Firm and a principal of Fourwall Solutions LLP, a real estate development partnership, a director of Fourwall Financial Inc. and managing partner in Opportunity Northwest LLC. Opportunity Northwest is managed by highly experienced professionals dedicated to facilitating business growth and economic development in Whatcom County working with and complementing the activities of State and Local Government agencies, private sector service providers, Chambers of Commerce and other associated business organizations. Opportunity Northwest provides services specific to the needs of their clients, typically early to mid-stage companies, often considering relocation or expansion into the USA from Canada or other out-of-State locations. Mr. Rendina's experience in the financial services sector includes work as a licensed financial advisor for a large U.S. broker/dealer and more recently, a partner in Seedfundr.com. Seedfundr.com is one of the first business crowdfunding platforms in British Columbia that enables entrepreneurs starting new companies to raise capital from investors, customers, and friends.**

**Mr. Carveth is a natural leader with effective networks developed in academic, business, government, and not-for-profit communities at the provincial, national and international level. As the Director, Industry Liaison, Office of the Dean of Science from 1996 to 2002, Mr. Carveth increased awareness within the business community and with venture capitalists, facilitating industry access to UBC-Faculty of Science research expertise, facilities and technologies. In the process, Mr. Carveth facilitated the formation of a number of spin-off companies. As Director, Science Communications, Office of the Dean of Science from 1993 – 2002, Mr. Carveth fostered relations with internal/external communities served by UBC including: other UBC faculties, departments, and administrative units; alumni, primary and secondary schools and post-secondary educational institutions, industry/business communities, government and the public sector. He developed the ongoing volunteer-based Faculty of Science Outreach Program Mr. Carveth gained international business experience as the Director of Mexican Affairs from 2005 through**

2007 for client Pacific Seafood Group, the largest seafood company in the United States, and as Business Development Advisor to Power Air Canada Corporation, a BC technology company organized to commercialize zinc air fuel cells. Robert Carveth has been the President of Consilium Enterprises Inc. since 2002 connecting innovative technology, finance, and management, for clients in Canada, United States, and Mexico. Mr. Carveth will act as the Biotechnology and Government Relations Advisor to Alliance, bringing his expertise in provincial, national, and international government, structure, function, processes, regulatory, and relations matters as well experience in early stage technology companies, university research and development, intellectual property, commercialization and licensing.

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 February 5, 2016.

**Dennis Petke**

*Name of Director or Senior Officer*

**/s/ 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>January 2016</b>	<i>Date of Report</i> <i>YY/MM/DD</i> <b>16/02/05</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>Donna M. Moroney</b>	<i>Contact Position</i> <b>Corporate Secretary</b>	<i>Contact Telephone No.</i> <b>(604) 696-4236</b>
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