

**FORM 7****MONTHLY PROGRESS REPORT**

Name of Listed Issuer: SPEAKEASY CANNABIS CLUB LTD. (the “**Issuer**” or “**SpeakEasy**”).

Trading Symbol: EASY

Number of Outstanding Listed Securities: 131,542,895

Date: September 13, 2021

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 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 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.

**Management of the Issuer has been focused on building-out its facilities, preparing for its outdoor crops and developing short and long term business plans for the Issuer. In August, the Issuer was in the final stage of amended sales licencing for extracts and concentrates to allow the sales of extracts**

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and concentrates. This licence amendment was received in September 2021. With the addition of its sales amendment, the Issuer will be positioned to enter the market with a lineup of products ranging from simple artisan style concentrates to more complex live resin vape cards. It has created a complete line of products formulated from its fresh frozen and dried cannabis material that will be launched under two separate concentrate brands.

It has also initiated the registration process for sales licences in the provinces for distribution, receiving its first approvals from Saskatchewan and Alberta. The BC provincial submission is underway. The Issuer signed a 6 month Processing Agreement with a Canadian Licenced Producer whereby the Company has agreed to supply and to process cannabis for the LP with value added products, including extracts, pre-rolls and packaged flower from its indoor and outdoor facilities.

The Issuer is currently 8 months into and expected 6-9 month application process to receive its Narcotics Dealers Licence (“NDL”) in order to develop and standardize psilocybin cultivation. Upon receipt of a Narcotics Dealers Licence, the dealer may produce, assemble, sell, provide, transport, send, deliver, import or export a controlled drug (psilocybin) if they comply with the terms and conditions of their dealer’s licence and any permit issued under the licence and expects that, upon receipt of a licence from Health Canada, to commence cultivating unique strains of magic mushrooms for lab testing and cataloguing in order to receive an in-depth understanding of potency, yield and delivery metrics. Through extraction, research and development, it aims to create quality and consistency for specific dose types, so that users can reap the benefits of psilocybin without the hallucinogenic effects.

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

See Item #1 in addition to the update below:

**Additional Update:**

The Issuer completed its 2021 planting season of approximately 70,000 plants. The Issuers goal is to achieve a 100% increase in yield from last year's historical 72,000KG harvest to a total of 144,000KG. Its dedicated team has been working hard to get the 2021 outdoor season underway and preparations for the 2021 outdoor grow season officially commenced on June 7th, 2021 and planting was finalized on July 23rd.

Approximately 70,000 plants were been planted for its outdoor facility. Of the 70,000 clones planted, the Issuer selected two strains due to their unique characteristics that have been genetically modified to thrive in its unique environment in Rock Creek. An additional 20 strains have been deployed for testing as the Issuer continues to establish a database to further develop the Company’s growing optimization techniques for the years to come.

Using the data collected from last year, the Issuer aims to optimize its different growing styles to achieve maximum efficiency and yield. Its vegging facility has increased significantly by 1,128% (3,500 sq ft to 43,000 sq ft) due to the completion of our indoor vegging facility in the spring. The increase in space allowed for more offspring's to be created in a shorter amount of time, permitting a larger number of plants to be planted compared to last year. Additionally, the added space allowed for larger and healthier plants to be planted.

On August 18, 2021, the Issuer announced it has initiated its plans to develop market awareness for the Company through leading international and Canadian marketing firms. The Issuer has engaged specifically for their ability to assist with generating a greater following through increasing awareness and attracting new investors utilizing various on-line platforms and methods of engagement and calling on their various relevant, established relationships in Canada, USA and Germany.

3. 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**

4. 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 firms, Torrey Hills Capital, Inc., Market One Media, Daily Hive and BullVestor MedienGmbH, we engaged to provided company awareness and are not related persons of the Issuer.**

**Torrey Hills was engaged at a rate of US\$6,500 per month for an initial term of three months whereby the agreement was automatically extended, subject to a 30-day termination notice by either party. SpeakEasy agreed to a one-time grant of 200,000 incentive stock options (the "Options") whereby the Options were subject to the terms of the Company's stock option plan and the policies of the Canadian Securities Exchange (the "CSE").**

**Market One was engaged for an aggregate fee of \$100,000 plus applicable taxes to be settled in shares of the Company in accordance with applicable securities laws and the policies of the CSE.**

**Daily Hive will receive cash fees of approximately \$125,000 for a 12 month term ending in April 2022.**

**BullVestor arranges and disseminates independent research articles related to the Company as well as develops and implements a social media strategy.**

**Bullvestor has been paid €150,000 for providing its services for a term of 3 months.**

5. 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.

Karolos Transaction

**Further to its press release of June 24, 2021, the Issuer determined not to proceed with its proposed acquisition of Karolos Research Inc.**

6. 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.

**N/A**

7. Describe the acquisition of new customers or loss of customers.

**N/A**

8. 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.

**None**

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**The company hires seasonal worker which correspond to the life-cycle of the plants and harvests.**

Report on any labour disputes and resolutions of those disputes if applicable.

**None**

10. 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.

**N/A**

11. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**N/A**

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

**N/A**

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

**None**

14. Provide details of any changes in directors, officers or committee members.

**None**

15. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The Issuer's business strategy is dependent on a robust market of adult recreational consumption of cannabis. Recreational cannabis consumption has been approved by the Federal Government, pursuant to the *Cannabis Act*. Provincial and municipal governments have been given explicit authority by the Federal Government to provide regulations regarding retail sales and distribution of cannabis. The ACMPR will continue to operate in tandem with the *Cannabis Act* and is expected to be re-evaluated within five years of the *Cannabis Act* coming into force.**

In early 2021, the Issuer began the application process for an NDL and a section of its processing building has been earmarked as the location for the research and development area that would house a licence referred to as an NDL. The NDL allows research, development, purchase and sales among other activities of narcotics. Upon receipt, the Company intends to immediately begin the process of preparing for the anticipation of the legal market

Evidence of the therapeutic benefits of psychedelic drugs appears in multiple scientific studies. Several clinical trials are underway in the United States and worldwide to investigate the therapeutic effects of psilocybin, the active component in the fungi known as "magic mushrooms." There is new hope for treating debilitating disorders such as depression, anxiety, post-traumatic stress disorder, anorexia, obsessive-compulsive disorder, and addictions. Multiple efficacy studies going on around the world in areas that encompass life-disrupting psychiatric and neurological conditions such as major depressive disorder (MDD), addictions, and other mental illnesses.

### **Regulatory Matters**

The proposed activities of the Issuer will be subject to regulation by governmental authorities, particularly Health Canada's Office of Controlled Substances. The Issuer's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the cultivation and sale of its products. The Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development of markets

and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail Issuer’s ability to produce or sell cannabis. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of medical marijuana, or more stringent implementation thereof could have a substantial adverse impact on the Issuer.

**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 the 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 13, 2021.

Malcolm Davidson  
 Name of Director or Senior  
 Officer  
*malcolm davidson*  
 \_\_\_\_\_  
 Signature

CEO  
 \_\_\_\_\_  
 Official Capacity

<b>Issuer Details</b>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
SPEAKEASY CANNABIS CLUB LTD	August	2021/09/10

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