

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: October 6, 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 harvest of its outdoor crops and developing short and long-term business plans for the Issuer.**

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- **As the Issuer has begun its 2021 harvest, it is getting a better understanding of the size of this year's crop, a necessary step in determining how much will be dedicated to each product stream.**

Live resin made from its fresh frozen material has proven very successful and a large portion of the crop will be dedicated to that process. The low-cost, fresh frozen input material, along with the high-quality, high-THC and terpene content allows the Issuer to be extremely competitive in the fast-growing live resin segment of the market. More efficient freezing and storage methods have been developed over the last year and will be implemented for this year's harvest, making the process faster and more cost effective.

The Issuer's pre-rolls have been well received by consumers in the market and as a result there have been several reorders and the Issuer will dedicate enough flower to pre-roll material to ensure it can expand its reach and meet demand this year. There were several new varieties added to the outdoor catalogue this year including a variety high in CBG, a very exciting cannabinoid with many medicinal uses.

- **In September 2021, the Issuer received its amended sales licence for extracts and concentrates to allow the sales of extracts and concentrates. With the addition of its sales amendment, the Issuer is positioned to enter the retail sales market with a line-up 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.**
- **Health Canada amended the Issuers current licence to include authorization for the Issuer to sell additional classes of cannabis including extracts, concentrates, topicals and edibles into the recreational market and also directly to medical patients. This amendment allows the Issuer to ship products across the country.**

The Issuer continues to build on its core principles - product quality, respecting the culture and achieving a competitive price point and with the amendment to its licence, the Issuer seeks the opportunity to pursue additional revenue streams in addition to the established business-to-business sales, with potential for increased margins and more consistent cash flows.

- **The Issuer is registered for distribution sales licences in Saskatchewan and Alberta, and the BC provincial submission has been submitted.**
- **The Issuer has applied to receive approval 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 enjoy 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:

The Issuer has been continually dedicating time and resources to ensure its brands have a successful launch across Canada and identified three distinct market segments that offer the Issuer immediate brand opportunity in the Canadian Cannabis industry.

One: High-End Craft Indoor Flower

The first brand will enter the market with 4 high THC legacy strains. This brand narrative highlights the Issuers deep roots embedded in "BC Bud". Through the rigorous strain selection process, the Issuer has been able to achieve THC levels of over 25%. It's a common goal between its growers to achieve up to 30 % THC levels with select strains.

Two: Alive Extracts

The second brand will be built around the Issuers robust outdoor supply chain to create products that will compete with Cannabis 2.0 pricing in the lucrative and expanding extract market. These products will be heavily targeted to the expanding dab culture and pertain to products offering such as live resin Vape, live resin sugar, terp sauce, diamonds and other forms of high THC extracts.

Three: Economically Priced Flower & Extracts

The Issuers third brand will take advantage of favourable growing conditions and being one of the largest outdoor licenced growing facilities in Canada. The brand will enter the market with 3 products: dried flower, pre-rolls and ratio-based extracts. Each product will be competitively priced.

Additional Update:

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

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relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer has entered into letters of intent with a National Sales Team that, upon finalization, will grant the Issuer access to strong market knowledge, existing relationships that will make up the complete marketing mix of - in store, online digital, public relations, and events, while being rooted in culture, and front of line sales support.

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.

N/A

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 Issuer hires seasonal workers which correspond to the life-cycle of the plants and harvests.

It hired a Manager of Marketing and Sales who comes from a successful background of marketing and sales for one of the largest live entertainment companies in Western Canada.

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.

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In 2020, a legal claim was brought against the Issuer by a Consultant which remains unresolved. Management considers this claim to be unjustified and the probability that it will require settlement at the Issuer's expense to be remote.

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.

On September 28, 2018, the Issuer issued an aggregate of 3,863,804 units (the "2018 Units"). Each 2018 Unit was comprised of one common share in the capital of the Issuer (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire an additional Common Share at a price of \$1.00 per share until September 27, 2021.

In accordance with the policies of the Canadian Securities Exchange (the "CSE"), the Issuer has extended the expiry date of the Warrants for an additional 12 month period, such that the new expiry date of the Warrants will be September 27, 2022.

The CSE granted the Issuer an exemption from the requirement set forth in Section 7.4.1(d) of CSE Policy 6 that 10 trading days remain prior to the original expiry date when applying to amend the terms of the Warrants.

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 Issuer intends to begin the process of preparing for the anticipation of the legal market.

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 October 6, 2021.

Malcolm Davidson
 Name of Director or Senior
 Officer
malcolm davidson

 Signature

CEO
 Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/D
Name of Issuer		September	2021/10/06
SPEAKEASY CANNABIS CLUB LTD			
Issuer Address			
1515 Meyers Creek Road West			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Rock Creek V0H 1Y0			<u>604-250-3178</u>
Contact Name		Contact Position	Contact Telephone No.
Deb Cotter		Dept. Head, Corporate Compliance	<u>604-250-3178</u>
Contact Email Address		Web Site Address	
deb@speakeasygrowers.com		https://speakeasygrowers.com	