

BC FORM 51-102F3

Securities Act

Material Change Report Under Section 7.1 of NI 51-102

ITEM 1 Name and Address of Company

Speakeasy Cannabis Club Ltd. (the "Company")
1520 Meyers Creek Road West
Rock Creek, BC V0H 1Y0

ITEM 2 Dates of Material Changes

May 4, 2020 and May 5, 2020

ITEM 3 News Releases

News releases announcing the material changes were disseminated on May 4, 2020 and May 5, 2020 through CNW and subsequently filed on SEDAR.

ITEM 4 Summary of Material Changes

On May 5, 2020, the Company announced that it had entered into a settlement agreement with staff of the British Columbia Securities Commission (the "BCSC") in connection with certain of the Company's historical disclosures. This settlement resolves the BCSC's review of the Company's involvement in the ongoing BCSC investigation relating to, among other things, the use of the consultant exemption from prospectus requirements as part of financings conducted by CSE-listed companies in British Columbia (the "BCSC Matter").

On April 21, 2020, the Company entered into a convertible loan agreement (the "Loan Agreement") with 10161233 Canada Limited (the "Guarantor"), 1244726 B.C. Ltd. (the "Lender"), Bhayana Ventures Ltd. and 1193213 B.C. Ltd. (the "Finder"), pursuant to which the Company borrowed the aggregate principal amount of \$2,000,000 from the Lender (the "Loan"). The Company completed the transactions contemplated in Loan Agreement on May 4, 2020.

ITEM 5 Full Description of Material Changes

On May 5, 2020, the Company announced that it had entered into a settlement agreement with staff of the BCSC in connection with certain of the Company's historical disclosures. This settlement resolves the BCSC's review of the Company's involvement in the ongoing BCSC Matter Under the terms of the settlement, the BCSC will not seek any orders against the Company, including financial orders. Full details of the settlement, including the settlement agreement, will be available on the BCSC website: www.bcsc.bc.ca.

On April 21, 2020, the Company entered into the Loan Agreement, pursuant to which the Company agreed to borrow an aggregate principal amount of \$2,000,000 from the Lender. Amounts owing under the Loan Agreement are convertible into common shares of the Company at any time prior to the Maturity Date (as defined below) at a conversion price of \$1.00 per share, subject to adjustment on the terms and conditions set forth in the Loan Agreement. On May 4, 2020, the Company completed the transactions contemplated in the Loan Agreement.

The Loan accrues interest at a rate of 55% per annum and is repayable as to \$1,810,000 (inclusive of interest) on the first anniversary of the closing date and as to \$1,999,500 (inclusive of interest) on the second anniversary date of the closing date (the “**Maturity Date**”). The Guarantor has guaranteed the Company’s obligations under the Loan Agreement. In connection with the Loan, the Company has agreed to pay the Finder a fee of \$190,000 on the first anniversary of the closing date. The Finder may, at its discretion, convert the Finder’s Fee into Common Shares at a conversion price of \$1.00 per share, subject to adjustment on the terms and conditions set forth in the Loan Agreement.

As security for the amounts owing under the Loan Agreement, the Guarantor has granted a mortgage over the Guarantor’s property in Rock Creek, British Columbia and each of the Company and the Guarantor have granted a security interest over all of their present and after-acquired personal property.

ITEM 6 **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

This material change report is not being filed on a confidential basis.

ITEM 7 **Omitted Information**

No information has been omitted on the basis that it is confidential information.

ITEM 8 **Executive Officer**

The name and telephone number of the director of the Company who is knowledgeable about the material change and the material change report is:

Bin Huang, CEO
Tel: 250-449-1773

ITEM 9 **Date of Report**

May 6, 2020