

SPEAKEASY CANNABIS CLUB LTD.

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For Immediate Release

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SPEAKEASY ANNOUNCES ENTERING FINAL STAGE OF AMENDED SALES LICENSING FOR EXTRACTS AND CONCENTRATES

Rock Creek, B.C. – SpeakEasy Cannabis Club Ltd. (CSE: EASY) (Frankfurt: 39H) (the “Company” or “SpeakEasy”) a holder of a federal licence to cultivate, process and sell cannabis under the Cannabis Act, is pleased to announce that it has entered the final stage of amending its sales license to allow the sale of its extracts and concentrates.

Founder, Marc Geen, *“Extractions and concentrates are a rapidly growing and an important part of the cannabis market in Canada. We are eagerly anticipating our licence that once granted, will allow us to participate in this exciting segment of the market. With our large inventory of flower, perfect for creating extracts and concentrates, we are eager to enter the consumer extract market that will become an important part of our business for years to come. Because of our low-cost of production, we will be entering the market with the ability to be very competitive with anyone out there. These are very busy and exciting times and I am thrilled we will soon be able to show what we can do in this segment of the market.”*

Extracts are one of the highest growth categories in Canada

The cannabis market in Canada is maturing to include value-added products similar to other markets in North America. According to Health Canada data¹, cannabis extracts (package unit sold), for the period between October and November, increased by 360% between 2019 and 2020, however still represents a small part of the total sales in the country. Cannabis extract sales are expected to increase to mimic other markets that show such sales averaging 30-40% of all cannabis purchases. Additional data from Grand View Research² shows global sales of cannabis extract are US\$7.3 billion per-year with a compound annual growth rate (CAGR) of 16.6%. Management believes that the two major reasons for the slow start to value added sales in Canada are price and availability of these products. With the number of dispensaries growing across the country, availability and access is increasing exponentially. Addressing the price issue is more challenging given the industry’s high average cost of production and taxes.

This licence amendment substantially increases product offerings

Currently, SpeakEasy is licenced to sell its dried flower to consumers. With the addition of its expected sales amendment, the Company will be well positioned to enter the market with a robust lineup of products ranging from simple artisan style concentrates to more complex live resin vape carts. Formulations have been prepared and brands are ready to launch upon receipt of the amendment. The

¹ <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/market/extracts.html#tbl-1>

² <https://www.grandviewresearch.com/industry-analysis/cannabis-extract-market>

ability to create a large and diverse range of products and be able to enter each market with a low price point is predicted to give SpeakEasy a significant advantage over companies without an outdoor flower production area.

Vertical integration for product development allows for competitive pricing

Keeping production and processing in-house is a critical way to keep costs low. SpeakEasy, in partnership with Frontier Labs, produces, processes and packages its product without losing margin to other companies by contracting out or taking on the cost of shipping between facilities. With SpeakEasy's goal of competing directly with "black market" pricing, keeping costs as low as possible is crucial to our success. Starting with our low-cost input material, which is expected to be among the lowest in the industry, and carrying on to finished product by using efficient, cost effective methods completed in-house, SpeakEasy is able to pass those cost savings on to consumers and be a strong competitor in the market.

Founder, Marc Geen, states, "Having a price advantage, focusing on genuine high-quality and branding that is rooted in the legacy BC market will give us the opportunity to stand out from the crowd. We are a unique company for many reasons, and I believe we will be able to make ourselves well known for all the right reasons across the country."

About SpeakEasy Cannabis Club Ltd.

SpeakEasy Cannabis Club Ltd. holds a cultivation, processing and sales licence issued by Health Canada under the *Cannabis Act*. [SpeakEasy](#) owns 290 acres of land in Rock Creek, British Columbia, and leverages five generations of farming experience in B.C. as well as its favourable location to grow and process high-quality cannabis products at low cost. SpeakEasy cultivates small batch, high quality craft cannabis at scale in a portion of its 63,200-square foot indoor cannabis complex and has completed its harvest of its 60-acre outdoor field. Total yearly production of cannabis flower and biomass is projected to be in excess of 70,000 kilograms per year once in full production.

On behalf of the Board of the Directors

For more information please contact:

Malcolm Davidson
CEO
investor@speakeasygrowers.com
1-604-218-9797

Forward Looking Statement

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause SpeakEasy's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include statements concerning SpeakEasy's expectations concerning receipt of its amended licence and the timing thereof; its expectations concerning cannabis extract sales levels; its expectations regarding its low-cost input material and its ability to pass savings on to customers; and its intent to produce and sell high quality craft cannabis at scale, and all other statements that are not statements of historical fact.

Although SpeakEasy believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by their nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; COVID-19, adverse industry events; future legislative and regulatory developments involving cannabis; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the cannabis and hemp industries and markets in Canada and generally; the demand for CBD distillate, cannabis and cannabis related products, the ability of SpeakEasy to implement its business strategies; competition; the ability of SpeakEasy to obtain and retain all applicable licences under the Cannabis Act and other assumptions, risks and uncertainties.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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