

**SPEAKEASY CANNABIS CLUB LTD.**

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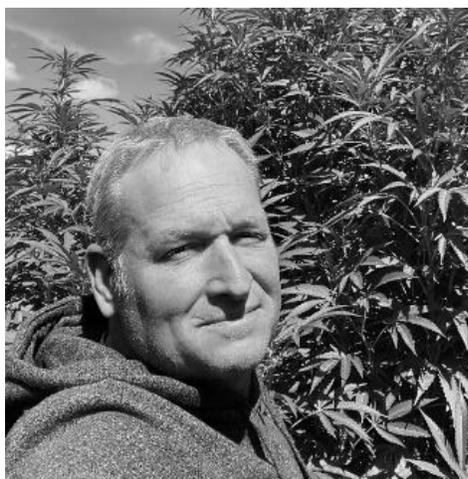
For Immediate Release

October 22, 2021

**SpeakEasy Founder, Marc Geen Provides Corporate Update**

**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 is happy to provide a corporate update to the Company’s shareholders.

**Marc Geen, SpeakEasy Founder**



Dear Shareholders,

Thank you all for taking a moment to read this letter. We have made substantial progress on all fronts and I would like to take a moment to detail some of our most significant accomplishments.

**Current State of the Cannabis Market**

Since legalization in 2018 the cannabis industry, as a whole, has dealt with blowbacks from investors who have been over promised but under delivered, as a result, up and coming companies who can deliver have been left to carry a negative sentiment. I write this letter to our investors with utmost confidence in the decisions we have made up to today. I feel that the combination of our hard work and your continued support will allow us to compete with the top cannabis companies in the world, at a fraction of the cost to build this company compared to the largest Canadian LP’s. I wish you could all see what we have built together, especially at this time of year, it’s something incredible to experience.

## **Proving our Business on Lean Farming Principles**

Since 2016, SpeakEasy has been focused on monetizing cannabis like any other crop my family had in the past. Our strategies and core principles are based on generational knowledge, land selection, and lean farming principles that would allow SpeakEasy to compete not only with Canada's largest producers, but on a global scale. With over 150 years of agricultural knowledge and experience, we were able to achieve high quality, high THC product at an ultra-low cost of cultivation. This positioned SpeakEasy to be able to participate in the wholesale market with competitive pricing while maintaining healthy margins.

## **The Following Milestones Have Been Achieved**

- Health Canada licensing for cultivation for cannabis
- Health Canada licensing for sale of cannabis
- Health Canada licensing for sale of extracts
- Proving the Company's outdoor cultivation strategy
- One of the largest harvest in Canadian history
- Efficiency at scale with an ultra-low cost per gram
- Proving product quality through high THC (15-18%) flower
- Proving the Company's indoor craft cultivation strategy with producing high THC flower (25%+)
- Establishing multiple extraction processes at scale and 2.0 product innovation
- Proving product demand through B-to-B sales
- Proving Company efficiency by maintaining a healthy margin in all sales to date

## **Established Infrastructure in Place**

Our facilities have been completed using our own employees almost exclusively, built to the high standards set by health Canada with the aid of our experienced growers giving guidance all the way through. What we have ended up with are custom, purpose-built facilities that our growers and operators can step into and operate in an environment they are very familiar with, eliminating the learning curve. The breakdown of projects completed and in use as well as the projects still ongoing are as follows:

- 3,200,000 sqft total security cleared area
- 2,800,000 sqft of outdoor cannabis cultivation
  - 30,000 sqft greenhouse
  - 94,800 sqft of building erected (standing structures)
- 36,600 sqft currently operational
  - 13,300 sqft processing and lab
  - 13,300 sqft clone production and vegging facility
  - 10,000 flowering facility
- 13,300 sqft flowering facility operational soon

I believe that SpeakEasy will soon become a major global player due to its combined agriculture experience, lean farming principles, proven product quality and an authentic brand building strategy. As we don't have any unnecessary fat to trim, our goal moving forward is to stay efficient, scale up, and meet market

demands. With the necessary infrastructure in place, the Company's goal now is to expand and scale our business.

## **Building Strong Company Culture**

Without the hard work and dedication of the SpeakEasy team, the support of our stakeholders and shareholders, none of this would have been possible. The core values that this Company was founded on, creates our biggest competitive advantage today, it's the people that make this business successful. We currently employ over 100 people from our local community, making us the largest employer in Rock Creek. We will continue training and educating our employees to build their careers.

## **About Canada's Cannabis Market**

- The Canadian cannabis market grew 118% in 2020 to \$2.6B and is expected to grow another 60% by the end of 2021<sup>(1)</sup>.
- Sales of cannabis extracts and concentrates tripled between the first and final quarter of last year, ending 2020 with roughly 324 million Canadian dollars in retail sales, according to new Statistics Canada data<sup>(2)</sup>.
- In the January-March period, the extracts products made up 7.4% of sales. By the end of the fourth quarter, they were at 14.9% <sup>(3)</sup>.

There has been a considerable amount of turmoil in the cannabis industry over the last couple of years while companies adjust to the realities of the marketplace. Unrealistic and overly expensive ideas, many of which were simply market plays, have been dashed on the rocks, companies unable to find their spot in the market shrink and disappear, leaving some glaring realities. If you're not producing a product that the consumers want, at a price they are willing to pay, you will not be in this cannabis game for long. We have stuck to our values from day one always insisting that our path is the right one and day by day it is proving true, I know we are still on the right path and despite what is happening throughout the industry both good and bad, we will get to where we need to be by sticking to our core values.

We have had several site visits from very special investors this season, one all the way from Germany, I would like to extend a heart-felt thank you for making the time and extraordinary effort to come look under the hood, your support overwhelms me. Thank you all for taking the time to read this address, together I believe we have a very bright future and I am so happy to have all of you with us.

## **Coronavirus Impact in 2021**

Like all businesses in Canada, SpeakEasy's operations were impacted by the COVID-19 pandemic. The Company implemented protocols to help prevent potential spread of the virus. The transition was largely seamless, as SpeakEasy's facilities have always been maintained to a high level of cleanliness and free from contamination. The Company will continue implementing its COVID-19 protocols for the foreseeable future

## **Shares for Debt**

The Company also announces that it has issued an aggregate 445,300 common shares in the capital of the Company (the “**Shares**”) in settlement of bona fide debts owing to certain Arm’s Length creditors (the “**Creditors**”) and totaling \$178,120 (the “**Shares for Debt Transaction**”). The Shares were issued at a deemed price of \$0.40 per Share.

## **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 favorable 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.

### ***On behalf of the Board of the Directors***

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## **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 the introduction of its brands and the timing thereof; a successful harvest; completion of its infrastructure; Canadian recreational cannabis market trends 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.**

*Neither the Canadian Securities Exchange nor its Regulation Services accepts responsibility for the adequacy or accuracy of this release.*

[1]<https://www.forbes.com/sites/javierhasse/2021/04/14/canada-cannabis-sales-doubled-in-2020-hitting-26b-heres-whats-next/?sh=19c1d546494f>

[2]<https://mjbizdaily.com/canadian-cannabis-extracts-topped-ca324-million-in-sales-in-2020>

[3][https://global-uploads.webflow.com/596691afde3c5856d866ae50/6064d8c226e976f615298217\\_Q121\\_CA%20Cann\\_Brand%20Health\\_Market%20Report\\_FI\\_NAL.pdf](https://global-uploads.webflow.com/596691afde3c5856d866ae50/6064d8c226e976f615298217_Q121_CA%20Cann_Brand%20Health_Market%20Report_FI_NAL.pdf)