

SPEAKEASY CANNABIS CLUB LTD.

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For Immediate Release

January 11, 2021

SPEAKEASY ANNOUNCES AN EXTRACTION AGREEMENT WITH RC FRONTIER LABS

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, announces that it has entered into an extraction agreement (the “**Extraction Agreement**”) and a consulting agreement (the “**Consulting Agreement**”) and together with the Extraction Agreement, (the “**Agreements**”) with RC Frontier Labs Ltd. (“**RC Frontier Labs**”) effective January 8, 2021.

The Agreements bring marketing, processing equipment, intellectual property and years of extraction and formulation experience to the SpeakEasy processing facility.

- RC Frontier Labs brings all equipment necessary to allow SpeakEasy to enter the cannabis concentrate market immediately.
- SpeakEasy s outdoor crop is perfectly suited to create high quality value added products and with its low cost, gives SpeakEasy an advantage in the market.
- RC Frontier Labs brings years of experience in the legal extraction market.

Founder, Marc Geen states, *“the ability to perform top notch extractions and create industry best value-added products takes more than just the right equipment, it’s as skill dependent as growing world class cannabis. Years of practice, trial and error, adjustments and corrections until near perfection is achieved. Together with the right equipment, the right techniques and knowledge base, incredible products can be created.”*

Increase margin and product portfolio

Geen further states, *“Not all genetics are created equal, the Company’s outdoor grow varieties were selected with concentrates in mind. Ladened with all ingredients needed to make world class concentrates, the outdoor crop is both low cost and highly potent. The cost savings of low-cost input material is multiplied when making concentrates as it takes many grams of input material to make a single gram of concentrate, leveraging SpeakEasy s input material cost per gram advantage. When you combine the right equipment, the right team and the perfect material to make it from, good things will happen.”*

Expedite time to market

Entering into the Agreements with RC Frontier Labs is expected to save the Company significant upfront cost and years of learning. The Company’s focus has been on growing high quality cannabis and management believes it has all the traits necessary to be among the best in the industry at cultivation and growing flower, and combined with the relationship with RC Frontier Labs, it further believes the Company will be among the best at producing value added cannabis products. SpeakEasy has a significant amount of product that was grown at an industry leading low cost, and as such, entering into the value added markets with such a large advantage gives SpeakEasy a leg up on many in the industry.

Founder Marc Geen states: *Moving our significant volume of material through one channel isn't realistic however moving it through multiple channels, flower, pre-rolls, edibles, topicals and multiple forms of concentrates, is. SpeakEasy does not have to outsource any of the materials or processes that it requires to manufacture its products, it is all done in house.. Sending material to other companies to have them process it eats away at the bottom line, having an agreement with RC Frontier Labs, we are now a one stop shop."*

The Company has agreed to pay RC Frontier Labs a total fee (the **Consulting Fee**) of \$1,750,000 for the provision of services under the Consulting Agreement. RC Frontier Labs will develop and promote brands during the next 12 months including the SpeakEasy brand, which will be used exclusively by and for SpeakEasy Cannabis Club. Brands are an incredibly important part of any business and have become key in the cannabis industry.

Marc Geen states: *"SpeakEasy has worked incredibly hard to achieve goals we set that were necessary to make us a sustainable business with a bright future. It is time for everyone to know what we have accomplished, to see what we've done and watch what we continue to do here. We are different, unique, outstanding, and we have everything in place to prove it. After creating incredible videos and content that capture and display the heart and soul of SpeakEasy, RC Frontier Labs will continue to display who we are by getting the word out."*

Subject to compliance with applicable laws, including the policies of the Canadian Securities Exchange, the Consulting Fee shall be satisfied through the issuance of common shares in the capital of the Company (the **Common Shares**) at a deemed price of \$0.47 per share, resulting in the issuance of an aggregate of 3,723,404 Common Shares.

The Agreements are considered to be related party transactions within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as a result of Marc Geen being a shareholder and a director of RC Frontier Labs. Mr. Geen is an insider of the Company as a result of holding in excess of 10% of the Company's outstanding Common Shares. The Company is relying on applicable exemptions from the valuation and minority security holder approval requirements available under Sections 5.5(a) and 5.7(a), respectively, of MI 61-101 in respect of such related party transaction on the basis that the fair market value of the transaction does not exceed 25% of the Company's market capitalization.

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 its 63,200-square foot indoor cannabis complex and has successfully completed its first harvest of its 60-acre outdoor field. Total yearly production of cannabis flower and biomass is projected to be in excess of 100,000 kilograms per year.

On Behalf of the Board of Directors,

SPEAKEASY CANNABIS CLUB LTD.

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Statement Regarding Forward-Looking Information

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 production volumes, its expectation that it will commence extraction and creation of concentrates and value added products, expectations regarding the sales of those products, its expectations regarding the costs savings resulting from entering into the Agreements and its relationship with RC Frontier Labs, its expectation that it will be among the best in the industry at growing and creating some of the best value added products; its intent to produce and sell high quality craft cannabis, 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; cannabis and cannabis related products (including concentrates and extracts), 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.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.