

## **SPEAKEASY CANNABIS CLUB LTD.**

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### **SPEAKEASY SIGNS A NON-BINDING LETTER OF INTENT FOR A SUPPLY AGREEMENT**

For Immediate Release

March 27, 2021

**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 delighted to announce it has signed a Non-Binding Letter of Intent (“LOI”) with a Canadian Licensed Producer (the “LP”) whereby the Company agrees to supply and process cannabis for the LP with its value added products, including extracts, pre-rolls and packaged flower from our indoor and outdoor facilities for an initial term of six (6) months with an option to extend for an additional six (6) month term upon mutual agreement of the parties. A Definitive Supply Agreement is expected to be completed on or about than April 2, 2021.

Founder, Marc Geen states, *“This LOI represents a significant shift in SpeakEasy’s business operations. The years of building and growing to where the Company will have culminated in its ability to process and sell large volumes of flower and value-added products such as pre-rolls and concentrate into the Canadian recreational market. We will continue to prepare for our amended sales licence, which is expected within the next 30-45 days, allowing us to sell value-added products directly into the recreational market. This arrangement does not affect our ability to do that. Upon the successful execution of the Definitive Agreement, the Company will add additional revenue, visibility and financial de-risking for a significant portion of the expected production from the on-going growth of our cannabis complex.”*

#### **Sales of sun grown flower and value added products**

Creation of extracted products from our outdoor flower has created interest in the market and has translated into SpeakEasy’s first significant letter of intent for a processing and supply arrangement. Concentrates, pre-rolls and flower as a finished product constitute the majority of the products contemplated under this LOI.

Marc Geen, Founder, additionally states, *“We have begun the process of registering with several provinces for licences to sell into the recreational market. Once registered, SpeakEasy will be able to sell under its own brand in those provinces. White labeled, finished products and the supply of bulk processed material is expected to remain an important part of our business plan but supplying finished products under our own brands directly to consumers is an exciting prospect that is just around the corner.”*

#### **About the crop**

Products created from our 60 acre outdoor harvest are of a very high quality and because of the low-cost per gram material, we are able to target the lowest price of finished products. Products such as live resin sugar, vape, diamonds and sauce created from our 30,000 pounds of fresh frozen material have been well received and plan to introduce into the market at or below the lowest price currently being sold.

Marc Geen further states, *“Our outdoor flower is keeping exceptionally well and everything we are creating from it is outstanding. Our decision to use these specific genetics, harvest and store it the way we did has worked out better than I had hoped. It’s hard to go wrong with whatever we create when we start with such beautiful material. This LOI, while significant, still leaves us with sufficient product to expand into provinces with our own brands and not risk running out completely before our next harvest, which is expected 6 months from now. I usually take a line or two to thank the incredible members of our SpeakEasy family and this release is no exception. Every day is a pleasure to work with you all and the work we are accomplishing together is inspiring, thank you for everything.”*

### **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. 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***

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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 its expectations that it will receive an amended sales licence and the timing thereof; its ability to complete the Definitive Agreement and the timing thereof; its expectations regarding future harvests and the timing thereof, and 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 favourable 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.**

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