

SPEAKEASY CANNABIS CLUB LTD.

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SpeakEasy Announces \$3.27 Million in Loan Financing

VANCOUVER, BC – (March 23, 2020) – SpeakEasy Cannabis Club Ltd. (“**SpeakEasy**” or the “**Company**”) (CSE: EASY)(Frankfurt: 39H) is pleased to announce that it has secured loan financing in the aggregate principal amount approximately \$3.27 million (collectively, the “**Loan Financing**”).

The Company has secured interest-free loans in the aggregate principal amount of \$268,500 from Marc Geen, an insider of the Company, and certain non-arm’s length parties and expects to secure up to an additional \$250,000 in the days ahead (the “**Interest-Free Loans**”). Each of the Interest-Free Loans are repayable by the Company upon receipt of demand from the lender, which demand shall not occur until the proceeds of the Secured Loan (as defined below) are received by the Company.

Founder Marc Geen states, “Raising money during these extremely difficult times has been a challenge for the entire industry, fortunately for us we have fostered relationships that bring financial partners who also bring much more than just investment capital. In the coming months these relationships will become key components in the marketing and sales aspect of the business. Being able to raise capital without diluting the stock is important to all of our shareholders and although the cash costs are high now, they are small when we consider the income projected from our outdoor harvest this fall. Not diluting the stock now will be a positive for us in the long run.”

The Company has also entered into a term sheet (the “**Term Sheet**”) with an arm’s length lender (the “**Lender**”) for a senior secured loan in the aggregate principal amount of \$3,000,000 (the “**Secured Loan**”). The Secured Loan will accrue interest at a rate of 55% per annum and will be repayable as to \$2,715,000 (inclusive of interest) on the first anniversary of the closing date and as to \$2,999,250 (inclusive of interest) on the second anniversary date of the closing date (the “**Maturity Date**”). The outstanding principal amount and accrued interest thereon will be convertible into common shares of the Company (the “**Common Shares**”) at the option of the Lender at any time prior to the Maturity Date at a conversion price of \$1.00 per Common Share.

Under the terms of the Term Sheet, the Lender has agreed to advance \$250,000 to the Company upon the execution and delivery of a definitive loan agreement and security documentation. The balance of the principal amount will be advanced on or before April 15, 2020. As security for the Secured Loan, the Company will cause the grant to the Lender of a first mortgage over the Company’s property in Rock Creek, British Columbia and a first-ranking general security agreement over the present and after-acquired personal property of the Company and its subsidiaries. In the event that the Company determines not to proceed with the Secured Loan prior to entering into a loan agreement, the Company has agreed to pay the Lender a break-fee in the amount of \$15,000.

In connection with the Secured Loan, the Company has agreed to pay a finder’s fee to an arm’s length party of \$285,000 (the “**Finder's Fee**”). The Finder's Fee is payable on the first anniversary of the closing date.

The Company intends to use the net proceeds of the Loan Financing for capital projects and for general corporate purposes. The initial advance under the Secured Loan is expected to occur on or about March 31, 2020 and is subject to certain conditions including, but not limited to, the entering into of a definitive loan

agreement and all security documentation, the granting of the security and the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange.

The Interest-Free Loans may be 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, directly or indirectly, a lender thereunder. Mr. Geen is an insider of the Company as a result of holding in excess of 10% of the Company's Common Shares. The Company intends to rely on the exemptions from the requirements of MI 61-101 in respect of such insider participation.

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](http://www.speakeasygrowers.com) owns 290 acres of land in Rock Creek, British Columbia, and leverages three 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 in its 10,000 square foot indoor facility and has recently completed the development of its 60-acre outdoor field. The Company's intention, upon receipt of an amendment to its current licence to include the outdoor cultivation area, is to produce approximately 70,000kg of outdoor, sun grown cannabis in 2020. For more information please contact:

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Forward-looking Statements

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 with respect to the receipt of additional Interest-Free Loans, its expectation that relationships with certain lenders will be key components of the Company's marketing and sales efforts, its expectation that its financing activities will not dilute shareholders, its expectation that income generated from its outdoor grow will exceed the costs associated with the Loan Financing, its income projections from the outdoor harvest and the timing thereof, its expectation that limiting dilution now will have a positive impact on the Company in the future, its intent to close the Secured Loan and the timeframe within which the Secured Loan is anticipated to close, the proposed use of proceeds from the Loan Financing, its intent to obtain an amendment to its existing license, its intent to produce and sell high quality craft cannabis, its intention to complete construction of its facilities and the timeframe within which the construction of such facilities will be completed 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 the global Covid-19 pandemic, including the risk that the Company be deemed a non-essential business and asked to temporarily cease operations; general economic conditions; 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 industry in Canada and generally; the demand for cannabis and cannabis related products, the ability of SpeakEasy to implement its business strategies; competition; the ability of SpeakEasy to obtain all applicable licenses 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.