

SPEAKEASY CANNABIS CLUB LTD.

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For Immediate Release

July 31, 2021

SpeakEasy to Produce 2,225 kg of High Quality Extracts

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 a production and processing update on its initial 2020 harvest of 72,000 KG.

Last year was all about producing one of Canada's largest outdoor harvests and finalizing a cultivation strategy to position itself for wholesale and retail sales. Our vision has always been to compete in a mature market by having on-site infrastructure to achieve some of the industry’s lowest cost of production.

As 2.0 products have proven to represent some of the largest growth categories, SpeakEasy’s low-cost of input material, combined with its on-site extraction lab and in-depth experience, is proving to be a winning formula for the Company.

2020 Harvest Update on Process and Sales:

- With the addition of infrastructure improvements and equipment testing completed, we started processing the 2020 harvest on a production level in March 2021 at a limited capacity.
- B-to-B sales increased above our internal estimated capacity. The products were priced at a premium in their respective categories with associated wholesale production costs of approximately \$30 million, or an average gross margin of 70%.
- 75% of last year's outdoor harvest continues to be processed into high-quality extract products and sold under sales contracts that are currently in place.
- SpeakEasy continues to process its remaining inventory from the initial 2020 outdoor harvest that will produce an estimated 2,225 kg of premium extracts. Our concentrates will be incorporated into consumer-packaged products under SpeakEasy’s brands and distributed into the Canadian retail market. These products currently have a retail values of approximately \$115,000,000 when sold in retail stores across Canada

“While many cannabis companies have raised significant amounts of capital to build luxurious infrastructures, SpeakEasy's goal has always been focused on becoming cash flow positive through our lean farming principles. These principles protect our investors from dilutions while allowing us to control our own destiny. Our processes and achievements are allowing the Company’s dreams to come true. We have relied on tremendous experience and built a strong company culture to compete on the global stage very soon.”

– Founder, Marc Geen.

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 140,000 kilograms this year.

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 sales of its extracted product and revenues generated therefrom; 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; 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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