

FORM 7**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: SPEAKEASY CANNABIS CLUB LTD. (the “**Issuer**” or “**SpeakEasy**”).

Trading Symbol: EASY

Number of Outstanding Listed Securities: 103,279,138

Date: May 22, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Management of the Issuer has been focused on building-out its facilities and developing short and long term business plans for the Issuer.

On April 1, 2020, the Company announced that it had entered into a non-binding letter of intent with Christina Lake Cannabis Corp. (“CLC”) pursuant to which the Company would process and sell cannabis biomass and cannabis flower produced by CLC’s production facility.

On April 3, 2020, the Company received an amendment to its license to cultivate, process and sell cannabis.

On April 22, 2020, the Company also entered into term sheet with an arm’s length lender for the loan of an aggregate principal amount of \$2,000,000. The outstanding principal amount and accrued interest thereon will be convertible into common shares of the Company at the option of the Lender at any time prior to the Maturity Date at a conversion price of \$1.00 per share, subject to adjustment in certain circumstances.

2. Provide a general overview and discussion of the activities of management.

Management of the Issuer has been focused on building-out its facilities and developing the short and long term objectives of the Issuer. Management has also been coordinating an amendment to its current licence to include its outdoor cultivation area. In response to Covid 19, the Company adopted and implemented protocols and standard operating procedures to help prevent the potential spread of the coronavirus.

The Company filed its Quarterly Filings.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See Item 1, above.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

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7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None

Report on any labour disputes and resolutions of those disputes if applicable.

None

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

13. Provide details of any securities issued and options or warrants granted.

14. **N/A**

(1) *State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

Marc Geen, an insider of the Company, made an unsecured loan of \$143,500 to the Company on or about April 15, 2020. This loan bears no interest and is repayable within 10 days of demand.

16. Provide details of any changes in directors, officers or committee members.

Zena Prokosh resigned as a Director of the Company on or about April 3, 2020.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer's business strategy is depended on a robust market of adult recreational consumption of cannabis. Recreational cannabis consumption has been approved by the Federal Government, pursuant to the *Cannabis Act*. Provincial and municipal governments have been given explicit authority by the Federal Government to provide regulations regarding retail sales and distribution of cannabis. The ACMPR will continue to operate in tandem with the *Cannabis Act* and is expected to be re-evaluated within five years of the *Cannabis Act* coming into force.

- **Regulatory Matters**

The proposed activities of SpeakEasy will be subject to regulation by governmental authorities, particularly Health Canada's Office of Controlled Substances. SpeakEasy's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the cultivation and sale of its products. The Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail SpeakEasy's ability to produce or sell cannabis. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of medical marijuana, or more stringent implementation thereof could have a substantial adverse impact on the Issuer. The Issuer has not yet obtained a license to cultivate or sell cannabis.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 22, 2020.

Dr. Bin Huang
Name of Director or Senior
Officer

Bin Huang
Signature

CEO
Official Capacity

<i>Issuer Details</i> Name of Issuer SPEAKEASY CANNABIS CLUB LTD	For Month End April 2020	Date of Report YY/MM/D 2020/05/22
Issuer Address 1515 Meyers Creek Road West		
City/Province/Postal Code Rock Creek V0H 1Y0	Issuer Fax No.	Issuer Telephone No. <u>604-250-3178</u>
Contact Name Deb Cotter	Contact Position Dept. Head, Corporate Compliance	Contact Telephone No. <u>604-250-3178</u>

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February 6, 2019

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Contact Email Address deb@speakeasygrowers.com	Web Site Address https://speakeasygrowers.com
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