

**SPEAKEASY CANNABIS CLUB LTD.**

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**SpeakEasy Announces Convertible Loan Financing for up to \$3.0 Million**

VANCOUVER, BC – April 9, 2021 – **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 pleased to announce that further to its press release of January 21, 2021, it has entered into a convertible loan agreement (the “**2021 Loan Agreement**”) with 10161233 Canada Limited (the “**Guarantor**”), 1287866 B.C. Ltd. (the “**Lender**”) and Bhayana Ventures Ltd. (the “**Administrative Agent**”) dated April 9, 2021, pursuant to which the Lender has agreed to loan the Company a minimum of \$2.0 million up to a maximum of \$3.0 million (the “**Loan**”). The Company will use the proceeds of the Loan for working capital purposes and capital expenditures.

In accordance with the terms and conditions of the Loan Agreement, the Loan will accrue interest at a rate of 6.0% per annum, payable monthly in arrears, and will be repayable on the second anniversary date of the closing date, subject to acceleration in certain circumstances. The Guarantor has guaranteed SpeakEasy’s obligations under the 2021 Loan Agreement. In connection with the Loan, the Company has agreed to:

- a) pay the Administrative Agent a fee equal to 5.0% of the principal amount of the Loan (the “**Finder's Fee**”) which Finder’s Fee shall be satisfied by the issuance of common shares in the capital of the Company (the “**Common Shares**”) at a deemed price per Common Share equal to the Conversion Price (as defined below);
- b) grant to the Administrative Agent such number of Common Share purchase warrants (the “**Warrants**”) as is equal to the principal amount of the Loan divided by the Conversion Price. Each Warrant entitles the holder to purchase a Common Share at a purchase price of \$0.70 per Common Share, subject to adjustment, for a period of three years following the date of issuance; and
- c) pay the Administrative Agent from and following the first anniversary of the closing date of the Loan a monthly administration fee (the “**Administration Fee**”) equal to 0.5% of the principal amount of the Loan and all accrued and unpaid interest thereon.

The principal amount of the Loan and any accrued but unpaid interest thereon will be convertible into Common Shares at the option of the Administrative Agent (on behalf of the Lender) at a price (the “**Conversion Price**”) equal to lower of (i) \$0.52; and (ii) the closing price of the Common Shares on the day before the closing date, each subject to adjustment on the terms and conditions set forth in the 2021 Loan Agreement.

As security for the Loan, the Company will cause the grant to the Lender of a first mortgage over the Guarantor’s property in Rock Creek, British Columbia and a first-ranking general security agreement over all of the present and after-acquired personal property of the Company and the Guarantor.

The advance of funds under the Loan is subject to certain conditions including, but not limited to, the entering into of 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.

In connection with the Loan, SpeakEasy also announces that it has entered into a subordination and priority agreement (the “**Subordination Agreement**”) with respect to the Company’s obligations under the convertible loan agreement dated April 21, 2020 between SpeakEasy, the Guarantor, 1244726 B.C. Ltd., 1193213 B.C. Ltd. and the Administrative Agent (the “**2020 Loan Agreement**”). Pursuant to the Subordination Agreement, the parties have agreed to subordinate the repayment of obligations under the 2020 Loan Agreement to the obligations under the 2021 Loan Agreement.

### **Shares for Debt**

The Company also announces that it has issued an aggregate of 987,587 common shares in the capital of the Company (the “**Shares**”) in settlement of bona fide debts owing to certain creditors (the “**Creditors**”) and totaling \$601,022 (the “**Shares for Debt Transaction**”). Certain insiders of the Company were Creditors and received an aggregate of 308,388 Shares in satisfaction of outstanding debt totaling \$187,500. Arm’s length Creditors received an aggregate of 679,199 Shares in satisfaction of outstanding debt totaling \$413,522. The Shares were issued at a deemed price of \$0.61 per Share.

The Shares for Debt Transaction is 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, an insider of the Company, and his affiliates being among the Creditors. 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 Shares for Debt Transaction does not exceed 25% of the Company’s market capitalization.

### **Option Grant**

The Company also announces the grant of an aggregate of 160,000 incentive stock options (the “**Options**”) to employees and consultants, such Options to be granted in accordance with applicable laws and the policies of the Canadian Securities Exchange.

### **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 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 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 expectation that the Loan transaction will close, its intended use of proceeds of the Loan, 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 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 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.*

