



## SpeakEasy Cannabis Club Ltd Reveals Strategic Direction For 2020

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- SpeakEasy outlines plans to transform into a global cannabis brand
- Approximately 63,000 sq. feet of indoor cultivation space, with first harvest expected Q1 2020
- 60-acre outdoor cultivation to produce 70,000kg of sun grown cannabis in 2020
- Extraction facility and vertical integration enables expansion into international markets

**Vancouver, B.C., January 22, 2020 - 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, today revealed its plans to transform into a global cannabis brand by applying large scale commercial farming principles to burgeoning national and international markets. Building on the Geen family's 100 years of experience farming cherries, apples, ginseng and peaches, the Company plans to cultivate small batch, high quality craft cannabis and, subject to receipt of all applicable licences from Health Canada, produce approximately 70,000kg of outdoor sun-grown cannabis in 2020.

The Company expects that in 2020 there will be a shift in the global cannabis industry into a consumer-packaged goods industry with the introduction of new product categories and increased segmentation in existing ones. SpeakEasy has developed a business model that adds core value and amplifies brand differentiation in what is expected to be a flourishing market. Building on its solid foundation, the Company will identify international revenue sources and replicate its operations in emerging global cannabis markets.

Moving from speculation to reality, a correction in the industry has taken place as dissatisfaction with current product offerings impacts sales projections. By focusing on both indoor and outdoor cultivation and following the proven business frameworks of successful multinational farming cooperatives, SpeakEasy is positioned to cultivate premium BC cannabis and deliver significant revenues and cost efficiencies.

"The blueprint to agricultural success must begin with proper site selection. It is the foundation of all farming." says SpeakEasy Founder, Marc Geen. "As a fourth generation farmer benefitting from the Okanagan's fertile golden mile, we have an intrinsic understanding of the land and how to cultivate and grow."

### Strategic Direction

**Indoor cultivation:** SpeakEasy completed the construction of its 10,000 sq. ft. purpose built indoor facility in November 2019, bringing its total indoor growing space, once all the buildings are completed, to approximately 63,000 sq. ft. SpeakEasy applies craft cultivation techniques to grow premium craft cannabis in this space. To target the luxury cannabis market large corporations have started to invest in small batch producers, for instance Aphria purchased B.C company Broken Coast for \$230m. With legacy growers benefitting from over 100 years of combined experience, SpeakEasy is well positioned to produce high margin small batch cannabis.

SpeakEasy founder Marc Geen says, "we don't need to look far to see what happens in a mature cannabis market, high quality, actual high quality becomes the norm and sells well, mid or low quality simply does

not sell. SpeakEasy is fixated on producing the best quality possible in our purpose built tried and true facilities.”

**Outdoor cultivation:** SpeakEasy projects that delivering cost efficiencies will be essential as cannabis transforms into a global consumer packaged goods industry. The Company projects that outdoor cultivation will enable it to produce trimmed flower for approximately \$0.04 per gram and biomass for extraction at approximately \$0.02 per gram. The Company has recently built an outdoor facility and has applied for an outdoor cultivation licence, which it anticipates receiving in Q1 2020.

**CBD hemp plantation:** SpeakEasy expects to plant a minimum of 50 acres of hemp in 2020 in an outdoor field, that was fully prepared in the fall of 2019. By controlling input costs by producing their own hemp, coupled with innovative extraction methods, SpeakEasy projects its cost to produce a 80% CBD distillate to be under \$1,000/kg versus current prices that can run as high as \$30,000/kg, allowing the Company to enter global markets at a competitive price.

**Consumer facing brands:** SpeakEasy is building real brands for the future with the development of multiple consumer products, including high THC flower, medical cannabis and CBD products. SpeakEasy believes that to succeed in the competitive cannabis market, brands must be developed authentically to engage and resonate with consumers. By harnessing legacy growers and an extensive library of unique genetics, the Company will be able to produce high quality small batch cannabis indoors and exceptionally low cost flower for extraction purposes outdoors.

**Online sales:** Domestic cannabis markets have been restricted by availability and supply chain issues. To meet the needs of the modern consumer and improve supply chain resilience, SpeakEasy has undertaken projects to become vertically integrated through BWell - [the first CBD e-commerce marketplace in Canada](#). The initiative will enable the Company to acquire new customers at a low cost and expand upon a business model that mirrors Amazon's marketplace approach. Management expects that this marketplace approach will advance SpeakEasy's aim to become a recognized household name across North America.

**Extraction processing:** The introduction of new product categories has the potential to add significant revenue streams for companies with extraction capabilities. To capitalize on this opportunity SpeakEasy is developing a state-of-the art 26,000 sq. ft. extraction facility, which it expects to complete in Q3 2020. Once in service, the Company expects to augment operations by processing up to 350,000kg of cannabis annually.

#### **2020 Timeline of Project Completion Dates:**

- Q1 - Outdoor License Amendment, Hemp Field License & First Harvest
- Q2 - Outdoor Planted, Hemp Fields Planted
- Q3 – Extraction/Processing & Cooler Building
- Q4 - Product on shelves

“We started out differently than most by beginning everything we do with the simple question, what do our customers want, and we built everything with that in mind. Consumer wants and needs cannot be an afterthought or something we figure out later, it is the sole purpose for everything we do.” says Founder, Marc Geen. “Quality, genetics, product types and pricing all need to make a formula that works to supply our customers. SpeakEasy has never been a stock play, it has always been a business built from the ground up with a long bright future in front of it.”

## **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 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.

### **Contacts:**

Ray Lagace  
[ray@speakeasygrowers.com](mailto:ray@speakeasygrowers.com)  
604-418-6950

For more information about SpeakEasy, visit [speakeasygrowers.com](http://speakeasygrowers.com).

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Forward-looking statements in this document include statements concerning SpeakEasy's expected production output from its facilities, including upon receipt of an amendment to its current license, and the timeframe associated with such production output, its intention to become vertically integrated through an e-commerce marketplace and its ability to acquire new customers as a result thereof and the costs of acquiring such customers, its expectations concerning the growth of the cannabis industry, including with respect to consumer packaged goods, expectations regarding its business model, projections concerning its ability to cultivate trimmed flower and biomass for extraction at its outdoor facility and the costs associated therewith, its expectation to plant 50 acres of hemp in 2020, its projections concerning the cost to produce 80% CBD distillate, its intention to enter international markets, its expectations regarding the development of an extraction facility and the processing capacity associated therewith, its intent to produce and sell high quality craft cannabis, its estimated project completion dates, and all other statements that are not statements of historical fact.

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