

July 27, 2022

To: All Known Creditors

**RE: Proceedings under the Companies' Creditors Arrangement Act for
Speakeasy Cannabis Club Ltd. and 10161233 Canada Ltd.
(collectively, the "Companies")
Court File No. S-226028**

On July 27, 2022, the Companies sought and obtained an initial order (the "**Initial Order**") from the Supreme Court of British Columbia (the "**Court**") for creditor protection under the *Companies' Creditors Arrangement Act (Canada)* R.S.C. 1985, C-36, as amended, ("**CCAA**"). Crowe MacKay & Company Ltd. is the Court appointed monitor (the "**Monitor**") of the Companies.

The Initial Order granted the Companies various relief including, inter alia, imposing a stay of proceedings until and including August 5, 2022 (the "**Stay Period**"). The Stay Period may be extended by the Court. During the Stay Period, all parties are prohibited from commencing or continuing legal action against the Companies and all rights and remedies of any party against or in respect of the Companies or its assets are stayed and suspended pursuant to the terms set out in the Initial Order.

The Initial Order prohibits the Companies from making payments of amounts relating to the supply of goods or services prior to July 27, 2022, except as provided in the Initial Order or further order of the Court.

Pursuant to the Initial Order, the Companies are to carry on business in a manner consistent with the commercially reasonable preservation of its respective business and assets. You are being given notice of the Initial Order as you are a creditor of the Companies or the Initial Order may affect your rights.

No claims procedure has been submitted to, or approved by, the Court. Accordingly, creditors are not required to file proofs of claim at this time. The Monitor will advise once a claims process has been approved by the Court.

A hearing to consider this matter further, along with certain additional relief in respect of the CCAA proceeding will be held on Friday, August 5, 2022 (the "**Comeback Hearing**"). Information as it relates to the Comeback Hearing will be published on the Monitor's website (see below).

We enclose herewith a Frequently Asked Questions (FAQ) document which may address any questions you may have at this time.

Further information with respect to this matter, including a copy of the Initial Order and a list of creditors and the amounts owing per the Companies' records can be found available on the Monitor's website <https://www.crowemackayco.ca/engagements/recent-engagements>.

Should you have any questions, please feel free to contact Mr. Nelson Allan at (604) 697-5209 or nelson.allan@crowemackay.ca.

Yours very truly,

Crowe MacKay & Company Ltd.
in its capacity as Court-Appointed Monitor of
Speakeasy Cannabis Club Ltd. and 10161233 Canada Ltd.
and not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to be 'Derek Lai', written over a horizontal line.

Derek Lai, CPA, CMA, CIRP, LIT, CFE
Partner & Senior Vice President

CCAA Frequently Asked Questions

Q: Who is Crowe MacKay & Company Ltd. (“**Crowe**”)?

A: Crowe has been appointed as Monitor in these CCAA proceedings pursuant to an order made by the Supreme Court of British Columbia dated July 27, 2022 (the “**Initial Order**”). Crowe is an independent party in these CCAA proceedings and is a Licensed Insolvency Trustee by the Office of the Superintendent of Bankruptcy.

Q: Is Speakeasy Cannabis Club Ltd. and 10161233 Canada Ltd. (collectively “Speakeasy” or the “Company”) in receivership or bankrupt?

A: No. The Company has filed under the *Companies’ Creditor Arrangement Act* for protection from its creditors, and is not currently in receivership or bankrupt. This is a legal process that provides, among other things, a stay of proceedings which prevents parties from commencing or continuing legal action against the Company while it develops a plan and considers its restructuring options.

Q: What is a Stay of Proceedings?

A: Any amounts owed to you for services or goods that you supplied to the Company before July 27, 2022 are subject to a court-ordered stay of proceedings. Accordingly, all collection proceedings, claims and court actions of creditors are stayed and no actions may be commenced against Speakeasy during this process without leave of the Court.

Pursuant to the terms of the Initial Order, creditors are prevented from terminating, amending or accelerating contracts or otherwise interrupting the supply of goods or services to Speakeasy

Q: Is the Company still operating and if so what governs what the Company can do?

A: The Company is still operating. The Initial Order and any subsequent Court Orders sets out the conditions in which the Company can continue to operate.

Q: How much of the money owed to me from before July 27th, 2022 will be paid to me?

A: At this stage, it is unclear what funds (if any) will be available for distribution to the ordinary unsecured creditors. The actual balance available to a specific creditor will be determined following a claims process at a later point, as well as the outcome of these CCAA proceedings.

As of today, no claims procedures have been approved by the Court. Accordingly, there is no need to file a claim. The Monitor will advise once a claims process has been approved by the Court.

Q: Where can I get updates on this CCAA proceeding?

A: The Monitor will publish updates including, but not limited to, court motion materials, reports to Court, creditor listings, and other documents on its website at: <https://www.crowemackayco.ca/engagements/recent-engagements>

Q: How do I make sure I receive a copy of the Plan and any other relevant documents pertaining to this CCAA proceeding?

A: The Monitor will provide you with a Proof of Claim in due course once a claims process has been established. At that time, you must complete and return the Proof of Claim to the Monitor. To ensure you will receive a Proof of Claim, you should ensure the Company has your correct mailing address. A listing of the creditors which includes mailing addresses will be made available on the Monitor's website (above).