

# Cannabis CPG MSO BellRock Brands Announces Completion of New Manufacturing Facilities in Desert Hot Springs, CA and Jackson, MI

*Expanding Footprint Allows BellRock to Increase Capacity and Profitability, While Providing Greater Control Over its Supply Chain in Core Markets*

DENVER, April 28, 2021 /CNW/ - BellRock Brands Inc. ("BellRock" or the "Company") (CSE: BRCK.U), an industry-leading cannabis consumer packaged goods ("CPG") multi-state operator ("MSO"), announced today that the construction of two production facilities in Desert Hot Springs, CA and Jackson, MI is complete. Both facilities are now fully operational, producing a wide range of BellRock products.

The opening of these two facilities provides BellRock complete control over the manufacturing of its four brands, Mary's Medicinals (Mary's), Dixie Brands (Dixie), Rebel Coast and Défoncé, in the markets where those brands are sold. The Desert Hot Springs, CA facility is a 12,000 square foot building that has begun producing the Company's food and beverage products. BellRock will maintain its second California manufacturing facility in Grover Beach, which currently produces Mary's non-ingestible products. The 16,000 square foot Jackson, MI facility has begun producing both Mary's and Dixie products.

"We are pleased to announce that our Desert Hot Springs and Jackson facilities are now open and fully operational. It has been our goal to shift away from third-party manufacturers and bring the capability in-house," said Brian Jansen, President of BellRock. "The completion of these two facilities represents our ability to realize efficiencies and obtain full control of the manufacturing of our brands, while increasing revenue and profitability."

Mary's began distributing its own products in California in 2019 and currently operates distribution centers in Van Nuys, San Rafael, and Grover Beach. In 2020 Mary's began distributing Rebel Coast and Défoncé products and presently all three brands are represented by the BellRock sales team in California. Dixie will join the BellRock portfolio on the same sales and distribution platform in Q2 this year. Mary's and Dixie entered Michigan in 2018 and 2019, respectively.

Jansen continued: "We are deeply committed to providing our consumers with the highest quality products while providing excellent service to our consumers, and the establishment of these two facilities helps us achieve that goal. We continue to find ways to capitalize on synergies that exist within our organization to profitably expand our business, and we believe this ultimately provides value to our shareholders."

## Share Issuances

In order to clarify the Company's prior disclosure, the Company wishes to confirm the issuances of the following shares on the following dates:

Date of Issuance	Number of Common Shares Issued	Price per Common Share (USD\$)	Reason for Issuance
December 31, 2020	12,499,999	0.11	Private placement to raise funds for general working capital (the " <b>Private Placement</b> ").
December 31, 2020	83,333	0.36	Consideration for extinguishment of bona fide debt.
January 8, 2021	380,208	0.36	Consideration for extinguishment of bona fide debt.

The Private Placement included subscriptions from insiders of the Company. Participation of insiders of the Company in the Private Placement constituted a "related party transaction" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 on the basis that at the time of completion of the Private Placement the participation in the Private Placement by insiders did not exceed 25% of the fair market value of the Company's market capitalization, and because the Company's Common Shares trade only on the Canadian Securities Exchange.

The Company did not file a material change report more than 21 days prior to the closing of the Private Placement as the details of the Private Placement and the total amount to be invested by insiders was not settled until shortly prior to the closing of the Private Placement, and the Company wished to complete the Private Placement on an expedited basis for sound business reasons.

All securities issued are subject to a four-month hold period in accordance with applicable securities legislation.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities referenced herein in the United States. The securities referenced herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### **ABOUT BELLROCK BRANDS:**

BellRock Brands is a national cannabis house of brands and intellectual property focused CPG operator that possesses one of the industry's broadest branded product portfolios. BellRock consists of two iconic cannabis brands, Mary's Medicinals (a pioneer in the Health & Wellness segment since 2013) and Dixie (a market-leading cannabis-infused edibles brand since 2010). BellRock also includes two growing California-based brands, Rebel Coast and Défoncé. BellRock's CBD portfolio includes the brands Mary's Nutritionals and Mary's Tails. With 11 brands and over 200 SKUs, BellRock reaches nearly every key consumer group and addresses the needs of a diverse cannabis consumer base. The BellRock manufacturing and distribution footprint continues to expand and currently spans nine states, and the Company owns or manages production facilities in its largest markets. For more information, visit [www.bellrockbrands.com](http://www.bellrockbrands.com).

#### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

The information provided in this press release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. All statements, other than statements of historical fact, made by the Company (or its predecessors) that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: (i) the regulation

of the medical and recreational marijuana industry in the United States, Canada, Mexico, Australia, New Zealand, Latin America and other countries in which the Company may carry on its business; (ii) the ability of the Company to obtain meaningful consumer acceptance and a successful market for its products on a national and international basis at competitive prices; (iii) the ability of the Company to develop and maintain an effective sales network; (iv) the success of the Company in forecasting demand for its products or services; (v) the ability of the Company to maintain pricing and thereby maintain adequate profit margins; (vi) the ability of the Company to achieve adequate intellectual property protection; (vii) the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and (viii) other risks described from time to time in documents filed by the Company with securities regulatory authorities, including the Company's annual information form dated June 21, 2019.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including that: (i) there will be no material adverse competitive or technological change in condition of the Company's business; (ii) there will be a demand for the Company's products that the Company has accurately forecast; and (iii) there will be no material adverse change in the Company's operations, business or in any governmental regulation affecting the Company or its suppliers.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements as no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including the risks described above. Consequently, all forward-looking statements made in this press release are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to herein should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on the Company's behalf may issue.

The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release.

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