

BellRock Brands Delayed in Filing its 2020 Annual Financial Statements

DENVER, Colo., May 3, 2021 /CNW/ - BellRock Brands Inc. ("BellRock" or the "Company") (CSE: BRCK.U), an industry-leading cannabis consumer packaged goods ("CPG") multi-state operator, announces that it will be delayed in filing its annual financial statements, accompanying management's discussion and analysis and related CEO and CFO certifications for the financial year ended December 31, 2020 (collectively, the "Annual Filings"), within the period prescribed for the filing of such documents under Parts 4 and 5 of Regulation 51-102 respecting Continuous Disclosure Obligations and pursuant to Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings, namely within 120 days of year-end, being April 30, 2021 (the "Filing Deadline").

Due to the recent merger between Dixie Brands Inc. ("Dixie"), BellRock's predecessor-in-interest, and BR Brands, LLC ("BR Brands") that closed on October 31, 2020, the 2020 Annual Filings have to include fifteen (15) previously privately-held companies that were not subject to the same public financial reporting requirements as Dixie, as well as finalize all necessary purchase accounting work. As a result, BellRock expects to be delayed in the filing of the Annual Filings by the Filing Deadline. There is no particular issue with the pending audit causing the delay and the Company's auditor has all material information required to complete its audit procedures. The Company intends to work closely with its auditor and is making every effort to file the Annual Filings in a timely fashion and expects to file the Annual Filings no later than June 14, 2021.

The Company is providing this default announcement in accordance with National Policy 12-203 Management Cease Trade Orders ("NP 12-203"). The Company has made an application to the British Columbia Securities Commission, as principal regulator of the Company, for a management cease trade order ("MCTO") under NP 12-203 in respect of the anticipated default regarding the Annual Filings. If an MCTO is granted, an MCTO will prohibit the chief executive officer, the chief financial officer, and possibly the directors, other officers and other insiders of the Company, from trading in securities of the Company for so long as the Annual Filings are not filed. The issuance of an MCTO does not generally affect the ability of persons who are not directors, officers or other insiders of the Company in their abilities to trade in the Company's securities. There is no certainty that an MCTO will be granted. If an MCTO is not granted, the applicable Canadian securities regulatory authorities could issue a general cease trade order against the Company for failure to file the Annual Filings within the prescribed time period.

The Company confirms that it intends to satisfy the provisions of the alternative information guidelines found at sections 4.3 and 4.4 of Policy Statement 12-203 respecting Cease Trade Orders for Continuous Disclosure Defaults for so long as it remains in default as a result of the late filing of the Annual Filings. During the period of default, the Company will issue bi-weekly default status reports in the form of further press releases, which will also be filed on SEDAR. The Company confirms that there are no insolvency proceedings against it as of the date of this press release. The Company also confirms that there is no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of this press release.

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.

Forward-Looking Information and Statements

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 listing statement dated October 31, 2020.


The forward-looking statements contained herein are based on certain key expectations and assumptions, including that: (i) the MCTO will be granted; (ii) the Company will file the Annual Filings on or before the date specified herein; (iii) there will be no material adverse competitive or technological change in condition of the Company's business; (iv) there will be a demand for the Company's products that the Company has accurately forecast; and (v) 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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