

FORM 7

**MONTHLY PROGRESS REPORT**

**Name of Listed Issuer:** BellRock Brands Inc. (formerly Dixie Brands Inc.) (the "Issuer").

**Trading Symbol:** BRCK (formerly DIXI.U)

**Number of Outstanding Listed Securities:** 1,063,064,635 common shares ("Shares")

**Date:** April 28, 2021

**Report on Business**

**1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

The Issuer is a leading United States multi-state cannabis CPG company that reaches over 113 million Americans across California, Colorado, Florida, Illinois, Maryland, Nevada, Michigan and Oklahoma, with a portfolio of cannabis brands. It develops and markets branded cannabis products, targeted towards different customer segments, through different form factors, including adult-use topicals, confections, edibles, beverages and concentrates. The Issuer currently does not directly manufacture any products containing tetrahydrocannabinol ("THC"), but partners with state licensed entities that perform such work pursuant to licensing arrangements. The Issuer delivers comprehensive solutions to licensed cannabis processors including, (1) processing and transportation equipment or equipment leasing, (2) operating and marketing support, (3) licensing of intellectual property, and (4) supplying non-cannabis raw materials (e.g., packaging, labels, product components, etc.). The Issuer also develops, manufactures and sells branded hemp-infused products.

The Issuer was incorporated under the *Business Corporations Act* (Ontario) as "Boeing Holdings & Explorations Limited" on July 20, 1970, following an amalgamation between Artex Holdings & Explorations Limited and Boeing Holdings & Explorations Limited. On January 6, 1972, the Issuer changed its name to "Consolidated Boeing Holdings & Explorations Limited" and on April 10, 1980, the name was changed again to "Academy Explorations Limited". On January 2, 1990, the Issuer amended its articles to create unlimited number of common shares and an unlimited number of special shares issuable in series. On November 27, 2018, the Issuer completed a reverse takeover transaction with Dixie Brands, Inc. (the predecessor to Dixie USA) and changed its name to "Dixie Brands Inc." Upon completion of the Transaction on October 31, 2020, the Issuer changed its name to "BellRock Brands Inc.", continued its registered jurisdiction from the Province of Ontario to the Province of British Columbia and adopted new articles.

On November 14, 2019, the Issuer announced that its AcesoHemp subsidiary had expanded its distributor network by signing a distribution agreement with Colorado's Sunrise Beverage LLC to represent the AcesoHemp line of broad-spectrum cannabidiol ("CBD")-infused powder sachets, balms and dissolvable tablets to retailers in Colorado.

On November 15, 2019, the Issuer announced that it had finalized the supply agreement with Herbal Enterprises LLC, an affiliate of the AriZona™ brand.

On November 19, 2019, the Issuer announced that it had finalized entry into the rapidly growing Oklahoma market.

On November 21, 2019, the Issuer announced that AcesoHemp's portfolio of broad-spectrum CBD-infused balms would be on the shelves in all Huck's Market stores by the end of November, 2019.

On November 25, 2019, the Issuer announced that its licensed manufacturer in Colorado had received Clean Green Certification for its Denver production facility, making it the first Clean Green Certified cannabis

facility in Colorado.

On December 5, 2019, the Issuer announced that the United States Patent and Trademark Office would be issuing its wholly-owned subsidiary, Aceso Wellness, LLC, a patent for a unique range of formats providing for the delivery of cannabinoids, along with nutrients, in effervescent powder and/or aqueous liquid forms.

On December 10, 2019, the Issuer announced that it would be extending its award-winning gummie portfolio with the addition of 3 new variants available in January 2020. The new stock keeping units includes a micro-dosed THC-infused Spicy Mango and two CBD:THC ratio offerings, Sour Strawberry 2:1 and Mellow Berry 10:1.

On December 17, 2019, the Issuer announced that AcesoHemp's portfolio of broad-spectrum CBD-infused balms would be on shelves in approximately 1,100 Dollar General stores in December, 2019.

On December 19, 2019, the Issuer announced that AcesoHemp had signed a distribution agreement with Innermountain Distributing, Colorado to represent the AcesoHemp line of broad-spectrum CBD-infused powder sachets, balms and dissolvable tablets to retailers in Colorado's key Western Slope region.

On January 15, 2020, the Issuer announced that in conjunction with its manufacturer, it would be launching the Issuer's initial branded product offering into the Oklahoma medical cannabis market by the end of January 2020, meeting its expectation announced in the previous press release related to the Oklahoma expansion. The initial offering was followed by a full portfolio launch, including Issuer's pioneering CBD brand AcesoHemp, in February 2020.

On January 23, 2020, the Issuer announced a reconstitution of its board of directors with the departure of long-standing members, Vincent Keber and Devin Binford, and the appointment of Dan Phaure, the Chief Operating Officer of Heritage Cannabis with 20 years of corporate experience, providing strategic guidance in relation to M&A activity, capital transactions and operational changes with companies in North America, Europe and Asia.

On February 4, 2020, the Issuer announced that AcesoHemp would be adding to its existing Health & Wellness offering via the introduction of two new consumer-driven product segments – Healthy Beauty and Performance Management.

On February 6, 2020, the Issuer announced that it had fulfilled its stated objective of launching, in collaboration with its licensed manufacturer, its award-winning gummies and elixirs into the dynamic Oklahoma legal cannabis market by the end of January.

On March 9, 2020, the Issuer announced that it had entered into a binding term sheet with BR Brands LLC ("**BR Brands**"), pursuant to which BR Brands will combine operations with the Issuer.

On March 20, 2020, the Issuer announced that in light of the contemplated change of control in connection with the Issuer's pending transaction with BR Brands, the Issuer and Khiron Life Sciences Corp. had mutually agreed to terminate the joint venture that was announced on January 30, 2019.

On April 22, 2020, the Issuer announced that it had entered into a definitive agreement to complete its previously disclosed business combination with BR Brands, pursuant to which Issuer would indirectly acquire from BR Brands all of the outstanding voting shares of Mary's Brands ("**Mary's**"), the creator of such brands as Mary's Medicinals, Mary's Methods, Mary's Nutritionals and Mary's Tails, and certain other assets of BR Brands, including securities of Edgewater Foods, Inc. and Lost County, Inc. The Issuer also announced that it had granted 14,198,926 restricted subordinate voting shares ("**SVS**") to certain non-executive employees and 597,222 restricted SVS to certain directors, in each case at a price of \$0.36 per share, pursuant to the terms of the Issuer's long-term incentive plan (the "**Plan**"). The restricted SVS issued to nonexecutive employees vested on January 1, 2021 and the remaining restricted SVS vest immediately upon grant and are otherwise subject to the terms of the Plan.

On July 21, 2020, the Issuer appointed Alejandro "Alex" de Gortari as its Chief Financial Officer and granted him 750,000 restricted SVS at \$0.135 under the Plan.

On October 13, 2020, the Issuer announced that it had received conditional approval from the Canadian Securities Exchange (the "CSE") for the proposed reverse takeover of the Issuer by BR Brands.

On October 29, 2020, the Issuer and BR Brands announced that the previously disclosed reverse takeover transaction of the Issuer by BR Brands would be completed on Saturday, October 31, 2020 (the "**Transaction**"), that the combined company would be renamed BellRock Brands Inc., and that the Issuer's stock symbol on the CSE would be changed to "BRCK." Pursuant to the terms of the Transaction, all non-participating voting shares of the Company were redeemed and cancelled and all SVS were exchanged for Shares. Following the completion of the Transaction, the Company is authorized to issue an unlimited number of common shares without par value.

On November 25, 2020, the Company granted 5,000,000 restricted Shares to each of the CEO and General Counsel and Corporate Secretary of the Company at a price of \$0.075 per share. The Shares vested on January 1, 2021 and are subject to the terms of the Plan.

On December 8, 2020, the Issuer announced that it had entered into a licensing agreement with Matrix NV, LLC ("**Matrix NV**") to unify its award-winning Mary's and the Issuer's brands (referred to as "**Dixie**" products) under one production and distribution partner in Nevada. Matrix NV, a Las Vegas, NV-based cannabis flower, concentrate and infused products producer, licensed to manufacture, distribute, and sell Mary's Medicinals and Dixie products to all cannabis retailers in the state. Those products include Mary's Medicinals Transdermal patches, Mary's Medicinals Transdermal gels, Mary's Medicinals Transdermal/topical compounds, Dixie gummies, Dixie mints and Dixie Elixirs.

On December 17, 2020, the Issuer announced that it would be consolidating its Florida licensing efforts for its Dixie and Mary's brands under a new relationship with MedMen Enterprises, Inc. ("**MedMen**"). The agreement would bring an end to MM Tech's relationship with Liberty Health Sciences in the first quarter of 2021 with the intent of entering the Florida market in the first quarter of 2021 under its relationship with MedMen.

On December 31, 2020 the Issuer completed a private placement for the issuance of 12,499,999 Shares at a price of USD\$0.11 for aggregate proceeds of US\$1,375,000.25. The Issuer considers the private placement to be non-material.

On December 31, 2020 the Issuer entered into a debt conversion agreement, pursuant to which US\$30,000 of the amount owing by the Corporation to its creditor was converted into an aggregate of 83,333 Shares at a deemed price of US\$0.36 per Share.

On January 8, 2021, the Issuer entered into a debt conversion agreement, pursuant to which US\$136,875 of the amount owing by the Corporation to its creditor was converted into an aggregate of 380,208 Shares at a deemed price of US\$0.36 per Share.

**2. Provide a general overview and discussion of the activities of management.**

The Issuer's management is currently negotiating various agreements to expand its footprint in the United States and internationally.

**3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

Since the date of the Issuer's last filed Form 7, Issuer announced that it would be extending its award-winning gummie portfolio with the addition of 3 new variants available in January 2020. The new stock keeping units

included a micro-dosed THC-infused Spicy Mango and two CBD:THC ratio offerings, Sour Strawberry 2:1 and Mellow Berry 10:1. Please see the news release dated December 10, 2019.

The Issuer also announced that AcesoHemp was adding to its existing Health & Wellness offering via the introduction of two new consumer-driven product segments – Healthy Beauty and Performance Management. Please see the news release dated February 4, 2020.

**4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

Not applicable.

**5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

Since the date of the Issuer's last filed Form 7, the reverse takeover transaction of the Issuer by BR Brands was completed on Saturday, October 31, 2020. Please see the news release dated October 29, 2020.

The Issuer also announced that:

- its AcesoHemp subsidiary had signed a distribution agreement with Colorado's Sunrise Beverage LLC to represent the AcesoHemp line of broad-spectrum cannabidiol CBD-infused powder sachets, balms and dissolvable tablets to retailers in Colorado. Please see the news release dated November 14, 2019;
- it had finalized the supply agreement with Herbal Enterprises LLC, an affiliate of the AriZona™ brand. Please see the news release dated November 15, 2019;
- it had entered into a licensing agreement with Matrix NV to unify its award-winning Mary's and the Issuer's brands under one production and distribution partner in Nevada. Matrix NV, a Las Vegas, NV-based cannabis flower, concentrate and infused products producer, licensed to manufacture, distribute, and sell Mary's Medicinals and Dixie products to all cannabis retailers in the state. Please see the news release dated December 8, 2020; and
- it would be consolidating its Florida licensing efforts for its Dixie and Mary's brands under a new relationship with MedMen. The agreement would bring an end to MM Tech's relationship with Liberty Health Sciences in the first quarter of 2021 with the intent of entering the Florida market in the first quarter of 2021 under its relationship with MedMen. Please see the news release dated December 17, 2020.

**6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

Since the date of the Issuer's last filed Form 7, the Issuer announced that the previously announced joint venture with Khiron Life Sciences Corp. was terminated by mutual agreement of the parties. Please see the news release dated March 20, 2020.

**7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

Since the date of the Issuer's last filed Form 7, following the completion of the transaction with BR Brands on October 31, 2020, the Issuer acquired, amongst other assets, BRB Mary's Holding Corp., MM Technology Holdings, LLC, Mary's Nutritionals, LLC, Mary's Operations, LLC, and Mary's Pets, LLC. Please see the news release dated October 29, 2020.

**8. Describe the acquisition of new customers or loss of customers.**

Not applicable.

**9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

Since the date of the Issuer's last filed Form 7, the Issuer acquired, amongst other assets, BRB Mary's Holding Corp., MM Technology Holdings, LLC, Mary's Nutritionals, LLC, Mary's Operations, LLC, and Mary's Pets, LLC and the associated brands. Please see the news release dated October 31, 2020.

The Issuer also announced that:

- the United States Patent and Trademark Office would be issuing its wholly-owned subsidiary, Aceso Wellness, LLC, a patent for a unique range of formats providing for the delivery of cannabinoids, along with nutrients, in effervescent powder and/or aqueous liquid forms. Please see news release dated December 5, 2019;
- it had entered into a licensing agreement with Matrix NV to unify its award-winning Mary's and the Issuer's brands under one production and distribution partner in Nevada. Please see the news release dated December 8, 2020; and
- it would be consolidating its Florida licensing efforts for its Dixie and Mary's brands under a new relationship with MedMen. Please see the news release dated December 17, 2020.

**10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

None.

**11. Report on any labour disputes and resolutions of those disputes if applicable.**

None.

**12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

On February 8, 2021, a statement of claim was filed against the Issuer at with the Superior Court of Ontario for an aggregate amount of \$80,000 in damages for breach of contract.

**13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

The Issuer did not incur or repay any indebtedness other than in the normal course of operations.

**14. Provide details of any securities issued and options or warrants granted.**

<b>Date of Issue</b>	<b>Description</b>	<b>Number of Securities</b>	<b>Price per Security</b>	<b>Total Issue Price</b>
April 22, 2020 <sup>(1)</sup>	SVS	14,198,926	\$0.36	\$5,111,613.36
April 22, 2020 <sup>(2)</sup>	SVS	597,222	\$0.36	\$214,999.92
August 19, 2019	SVS	400,000	\$0.62	\$248,000
July 21, 2020 <sup>(3)</sup>	SVS	750,000	\$0.135	\$23,625
November 25, 2020 <sup>(4)</sup>	Restricted Common Shares	10,000,000	C\$0.075	C\$750,000
December 31, 2020 <sup>(5)</sup>	Common Shares	12,499,999	\$0.11	\$1,375,000.25
December 31, 2020	Common Shares	83,333	\$0.36	\$30,000
January 8, 2021	Common Shares	380,208	\$0.36	\$136,875

**Notes:**

- (1) The Issuer granted 14,198,926 restricted SVS to certain non-executive employee at a price of \$0.36 per share. The shares vested on January 1, 2021 and are subject to the terms of the Plan.
- (2) The Issuer granted 597,222 restricted SVS to certain directors at a price of \$0.36 per share. The shares vested immediately on grant and are subject to the terms of the Plan.
- (3) The Issuer granted 750,000 restricted SVS to the CFO at a price of \$0.135 per share. The shares will vest over three years and are subject to the terms of the Plan
- (4) The Issuer granted 5,000,000 restricted Shares to each of (1) the Chief Executive Officer and (2) General Counsel and Corporate Secretary of the Company at a price of C\$0.075 per share. The shares vested on January 1, 2021 and are subject to the terms of the Plan.

**15. Provide details of any loans to or by Related Persons.**

None.

**16. Provide details of any changes in directors, officers or committee members.**

Since the date of the Issuer's last filed Form 7, and following the completion of the transaction with BR Brands on October 31, 2020, the directors of the Issuer resigned and the following directors joined the board of directors of the Issuer as of October 31, 2020: Jonathan Rosenthal, Satyavrat Joshi, Charles (Chuck) Smith, and Brian Graham.

The officers of the Issuer as of October 31, 2020 are as follows:

- Andrew Schweibold, Chairman
- Charles (Chuck) Smith, Chief Executive Officer
- C.J. Chapman, General Counsel and Executive Vice-President
- Alejandro "Alex" de Gortari, Chief Financial Officer.

The Issuer has an audit committee consisting of Charles (Chuck) Smith, Satyavrat Joshi and Brian Graham.

**17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.**

The most significant trends and uncertainties which management expects could impact its business and financial condition are the changing legal and regulatory regime which regulates the production and sale of cannabis and cannabis related products in the United States and other jurisdictions. See "Section 18 – *Risk Factors*" in the Issuer's CSE Form 2A Listing Statement dated October 31, 2020 available on [www.sedar.com](http://www.sedar.com).

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated April 28, 2021

C.J. Chapman  
Name of Director or Senior Officer

(Signed) "CJ Chapman"  
Signature

General Counsel  
and Executive Vice-President  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer			YY/MM/D
BellRock Brands Inc.		March 31, 2021	2021/04/28
Issuer Address			
4880 Havana Street, Suite 300-S			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Denver, Colorado 80239		(---)-----	(303)-945-3963
Contact Name		Contact Position	Contact Telephone No.
C.J. Chapman		General Counsel and Executive Vice-President	(303)-945-3963
Contact Email Address		Web Site Address	
cchapman@bellrockbrands.com		<a href="https://www.bellrockbrands.com/">https://www.bellrockbrands.com/</a>	