

**CONDENSED INTERIM FINANCIAL STATEMENTS OF**

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**FOR THE SIX MONTHS ENDED JUNE 30, 2018**

(Unaudited – Prepared by Management)

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**NOTICE OF NO AUDITOR'S REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of Ascent Industries Corp. (formerly Paget Minerals Corp.) (the "Company") for the six months ended June 30, 2018 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instruments 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**ASCENT INDUSTRIES CORP.**  
(formerly Paget Minerals Corp.)  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
In Canadian dollars

|  |       | <b>June 30,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|--|-------|--------------------------|------------------------------|
| <b>ASSETS</b>  | Notes | (Unaudited)              | (Audited)                    |
| <b>Current Assets</b>  |       |                          |                              |
| Cash   |       | \$ 1,427                 | \$ 9,691                     |
| Receivables  |       | 3,929                    | 431                          |
| Equity securities at fair value through other comprehensive income (FVOCI) | 5     | 16,502                   | 45,414                       |
|  |       | <u>21,858</u>            | <u>55,536</u>                |
| <b>Deposits and receivables</b>  | 4     | 20,000                   | 20,000                       |
| <b>TOTAL ASSETS</b>  |       | <b>\$ 41,858</b>         | <b>\$ 75,536</b>             |
| <b>LIABILITIES</b>   |       |                          |                              |
| <b>Current Liabilities</b>   |       |                          |                              |
| Trade and other payables   |       | \$ 95,613                | \$ 33,578                    |
|  |       | <u>95,613</u>            | <u>33,578</u>                |
| <b>EQUITY</b>  |       |                          |                              |
| <b>Share Capital</b>   | 6     | 13,089,947               | 13,089,947                   |
| <b>Reserves</b>  | 6     | 1,972,282                | 1,972,282                    |
| <b>Accumulated other comprehensive income</b>                              | 5     | 10,462                   | 15,824                       |
| <b>Deficit</b>   |       | (15,126,446)             | (15,036,095)                 |
|  |       | <u>(53,755)</u>          | <u>41,958</u>                |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |       | <b>\$ 41,858</b>         | <b>\$ 75,536</b>             |

Nature of operations and going concern (Note 1)  
Events after reporting period (Note 10)

These financial statements were authorized for issue by the Board of Directors on August 20, 2018.  
They are signed on the Company's behalf by:

"Mark T. Brown" Director

"Philip Campbell" Director

See accompanying notes to the condensed interim financial statements

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**CONDENSED INTERIM STATEMENTS OF (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

In Canadian dollars

(Unaudited)

|  | For the three months ended<br>June 30, |           | For the six months ended<br>June 30, |           |
|--|--|-----------|--------------------------------------|-----------|
|  | 2018                                   | 2017      | 2018                                 | 2017      |
| <b>Expenses</b>  |  |           |                                      |           |
| Administration and general                                       | \$ 78,738                              | \$ 10,167 | \$ 108,469                           | \$ 25,319 |
| Foreign exchange (gain)  | (18)                                   | 25        | (43)                                 | 8         |
|  | (78,720)                               | (10,192)  | (108,426)                            | (25,327)  |
| <b>Other Item:</b>   |  |           |                                      |           |
| Milestone share payment received                                 | 4                                      | -         | 27,000                               | -         |
| <b>Net loss</b>  | \$ (78,720)                            | \$ 16,808 | \$ (108,426)                         | \$ 1,673  |
| <b>Other Comprehensive Income:</b>                               |  |           |                                      |           |
| <i>Item that may be reclassified to profit or loss:</i>          |  |           |                                      |           |
| Changes in the fair value of available-for-sale financial assets | -                                      | 820       | -                                    | 21,169    |
| <i>Item that will not be reclassified to profit or loss:</i>     |  |           |                                      |           |
| Changes in value of equity securities at FVOCI                   | (3,414)                                | -         | (2,276)                              | -         |
| <b>Total Comprehensive Income (Loss)</b>                         | \$ (82,134)                            | \$ 17,628 | \$ (110,702)                         | \$ 22,842 |
| <b>Loss per Share - Basic and Diluted</b>                        | \$ (0.01)                              | \$ (0.00) | \$ (0.01)                            | \$ (0.00) |
| <b>Weighted Average Number of Shares</b>                         | 9,279,834                              | 9,279,834 | 9,279,834                            | 9,279,834 |

See accompanying notes to the condensed interim financial statements

**ASCENT INDUSTRIES CORP.**  
(formerly Paget Minerals Corp.)  
**STATEMENTS OF CHANGES IN EQUITY**  
In Canadian dollars

|   | Share Capital    |                      | Reserves                         |                  |                   | Accumulated other comprehensive income |                        | Deficit            | Total |
|---|------------------|----------------------|----------------------------------|------------------|-------------------|--|------------------------|--------------------|-------|
|   | Number of shares | Amount               | Equity-settled employee benefits | Finder's options | Warrants          |  |                        |                    |       |
| <b>Balance - December 31, 2016 (Audited)</b>                        | <b>9,279,834</b> | <b>\$ 13,089,947</b> | <b>\$ 1,256,349</b>              | <b>\$ 326</b>    | <b>\$ 715,607</b> | <b>\$ 9,651</b>                        | <b>\$ (15,018,024)</b> | <b>\$ 53,856</b>   |       |
| Other comprehensive income  | -                | -                    | -                                | -                | -                 | 21,169                                 | -                      | 21,169             |       |
| Net (loss) for the period   | -                | -                    | -                                | -                | -                 | -                                      | 1,673                  | 1,673              |       |
| <b>Balance - June 30, 2017 (Unaudited)</b>                          | <b>9,279,834</b> | <b>13,089,947</b>    | <b>1,256,349</b>                 | <b>326</b>       | <b>715,607</b>    | <b>30,820</b>                          | <b>(15,016,351)</b>    | <b>76,698</b>      |       |
| Share-based payments  | -                | -                    | -                                | -                | -                 | -                                      | -                      | -                  |       |
| Other comprehensive income  | -                | -                    | -                                | -                | -                 | 14,996                                 | -                      | 14,996             |       |
| Net (loss) for the period   | -                | -                    | -                                | -                | -                 | -                                      | (19,744)               | (19,744)           |       |
| <b>Balance - December 31, 2017 (Audited)</b>                        | <b>9,279,834</b> | <b>13,089,947</b>    | <b>1,256,349</b>                 | <b>326</b>       | <b>715,607</b>    | <b>15,824</b>                          | <b>(15,036,095)</b>    | <b>41,958</b>      |       |
| Changes in value of equity securities at FVOCI                      | -                | -                    | -                                | -                | -                 | (2,276)                                | -                      | (2,276)            |       |
| Changes in value of equity securities at FVOCI prior to disposition | -                | -                    | -                                | -                | -                 | 14,989                                 | -                      | 14,989             |       |
| Transfer of realized gain on sale of equity securities at FVOCI     | -                | -                    | -                                | -                | -                 | (18,075)                               | 18,075                 | -                  |       |
| Net (loss) for the period   | -                | -                    | -                                | -                | -                 | -                                      | (108,426)              | (108,426)          |       |
| <b>Balance - June 30, 2018 (Unaudited)</b>                          | <b>9,279,834</b> | <b>\$ 13,089,947</b> | <b>\$ 1,256,349</b>              | <b>\$ 326</b>    | <b>\$ 715,607</b> | <b>\$ 10,462</b>                       | <b>\$ (15,126,446)</b> | <b>\$ (53,755)</b> |       |

See accompanying notes to the condensed interim financial statements

**ASCENT INDUSTRIES CORP.**  
(formerly Paget Minerals Corp.)  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
In Canadian dollars  
(Unaudited)

|  | <b>For the six months ended<br/>June 30,</b> |                 |
|--|--|-----------------|
|  | <b>2018</b>                                  | <b>2017</b>     |
| <b>Operating Activities</b>                      |  |                 |
| Net (loss) income for the period                 | \$ (108,426)                                 | \$ 1,673        |
| Item not affecting cash:                         |  |                 |
| Milestone share payment received                 | -  | (27,000)        |
| Changes in non-cash working capital:             |  |                 |
| Receivables                                      | (3,498)                                      | (389)           |
| Trade and other payables                         | 62,035                                       | 4,650           |
| <b>Net cash used in operating activities</b>     | <b>(49,889)</b>                              | <b>(21,066)</b> |
| <b>Financing Activities</b>                      |  |                 |
| Proceeds from equity securities at FVOCI         | 41,625                                       | -               |
| <b>Net cash provided by financing activities</b> | <b>41,625</b>                                | <b>-</b>        |
| <b>Net change in Cash</b>                        | <b>(8,264)</b>                               | <b>(21,066)</b> |
| <b>Cash - beginning of the period</b>            | <b>9,691</b>                                 | <b>29,177</b>   |
| <b>Cash - end of the period</b>                  | <b>\$ 1,427</b>                              | <b>\$ 8,111</b> |

**Supplemental cash flow information:**

|                   | <b>For the six months ended<br/>June 30,</b> |             |
|-------------------|--|-------------|
|                   | <b>2018</b>                                  | <b>2017</b> |
| Interest received | \$ -   | \$ -        |
| Taxes paid        | \$ -   | \$ -        |

See accompanying notes to the condensed interim financial statements

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

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**1. Nature of Operations and Going Concern**

Ascent Industries Corp. (formerly Paget Minerals Corp. "Paget") ("the Company") was incorporated on May 24, 2007 under the laws of British Columbia. Upon closing of the Ascent RTO (as defined herein) on August 9, 2018, the Company's head office address changed to 260 – 22529 Lougheed Hwy, Maple Ridge, BC V2X 0T5. The Company's registered and records office is 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8.

The Company entered into an amalgamation agreement with a private entity called Ascent Industries Corp. on June 29, 2018, pursuant to which the Company and Ascent Industries Corp. proposed to affect a business combination that would result in a reverse takeover ("Ascent RTO") of the Company by the securityholders of Ascent Industries Corp. See Note 10 Events After the Reporting Period for details of the Ascent RTO and related financing activities, de-listing on the TSX Venture Exchange, share consolidation and listing on the Canadian Securities Exchange ("CSE") under the symbol "ASNT".

These financial statements have been prepared on a going concern basis. The Company did not generate cash flows from operations. Since inception, the Company incurred cumulative losses of \$15,126,446 as at June 30, 2018 and a net loss for the six months ended June 30, 2018 of \$108,426.

These financial statements reflect the accounts of the public company (Paget Minerals Corp.), prior to completion of the Ascent RTO.

**2. Basis of Preparation****(a) Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

**(b) Basis of Preparation**

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2017 annual financial statements.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

**3. Summary of Significant Accounting Policies**

These unaudited interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2017. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

**ASCENT INDUSTRIES CORP.**  
 (formerly Paget Minerals Corp.)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
 In Canadian dollars  
 (Unaudited)

**3. Summary of Significant Accounting Policies (Continued)**

*a) Adoption of IFRS 9 – Financial Instruments*

On January 1, 2018, the Company adopted IFRS 9 in accordance with the transitional provisions of the standard. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial Instruments: Recognition and Measurement. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, the Company made an irrevocable election upon initial recognition for equity instruments existing at January 1, 2018 and previously classified as available-for-sale, to satisfy the conditions for classification as fair value through other comprehensive income (“FVOCI”). Under IFRS 9, upon derecognition of financial assets any gains or losses realized will not be reclassified to the statement of loss as it was under IAS 39 although the Company has an option to transfer realized gains or losses within equity. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The change did not impact the carrying value of any of the Company’s financial assets on the transition date.

The impact on the balance sheet from the change relating to IFRS 9 has been summarized below.

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 as follows:

|                              | <b>IAS 39</b>      | <b>IFRS 9</b>          |
|------------------------------|--------------------|------------------------|
| <b>Financial Assets</b>      |                    |                        |
| Cash                         | Amortized cost     | Amortized cost         |
| Accounts Receivable          | Amortized cost     | Amortized cost         |
| Short-term Investments       | Available-for-Sale | Fair value through OCI |
| Deposits and receivables     | Amortized cost     | Amortized cost         |
| <b>Financial Liabilities</b> |                    |                        |
| Trade and other payables     | Amortized cost     | Amortized cost         |

The classification of financial assets is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Transaction costs with respect to financial instruments classified as fair value through other comprehensive income are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

The Company’s financial assets are classified into one of the following two measurement categories:

- Financial assets held within a business model for the purpose of collecting contractual cash flows (“held to collect”) that represent solely payments of principal and interest (“SPPI”) are measured at amortized cost.
- Financial assets held within a business model where assets are both held for the purpose of collecting contractual cash flows or sold prior to maturity and the contractual cash flows represent solely payments of principal and interest are measured at FVOCI.

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

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**4. Exploration and Evaluation Assets**

***Ball Creek Property***

The Company owned a 100% undivided interest in the Ball Creek Gold-Copper property located in northwestern British Columbia.

On April 27, 2015, the Company entered into a purchase and sale agreement (the "Sale") with Evrim Resources Corp. ("Evrin") to sell its 100% interest in the Ball Creek property for cash consideration of \$150,000. The Company also transferred the related reclamation deposits to Evrim. The remaining reclamation deposit of \$24,375 was to be paid to the Company upon Evrim redeeming the remaining reclamation deposits. In February 2016, Evrim refunded \$4,375 of its related reclamation deposits to the Company. As at June 30, 2018, the Company had a balance of \$20,000 recorded as deposits and receivables relating to the remaining reclamation deposit refunds due from Evrim. The Company may receive additional consideration if Evrim enters into an option, earn-in or purchase and sale agreement with a third party in respect of the Ball Creek property.

The Company may receive the following additional consideration if Evrim enters into an option, earn-in or purchase and sale agreement with a third party in respect of the Ball Creek property:

- (a) \$150,000 upon closing of the purchase and sale agreement (Cash received on June 23, 2015);
- (b) If Evrim enters into an option agreement whereby Evrim would receive payment related to the property, at any time within the following four years from the date of the agreement, Evrim will be required to pay additional consideration of 40% of payments received during the first year, 30% of payments received during the second year, 20% of payments received during the third year and 10% of payments received during the fourth year; and
- (c) Milestone share payments (or cash equivalent at Evrim's election) of:
  - (i) 100,000 Evrim Shares within 14 days of Evrim entering into a future option, earn-in or purchase and sale agreement with a third party (a "Future Agreement") (Shares received on May 16, 2017 with Evrim announcing it entered into a definitive agreement on May 15, 2017);
  - (ii) 250,000 Evrim Shares upon completion of 10,000 metres of drilling;
  - (iii) 400,000 shares upon announcement of a measured or indicated mineral resource estimate (National Instrument 43-101 compliant) of at least 500 million tonnes at a grade of at least 0.50% copper equivalent; and
  - (iv) 500,000 shares on the completion of a National Instrument 43-101 compliant feasibility study.

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

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**5. Equity Securities at FVOCI**

At June 30, 2018, the Company held equity securities at FVOCI as follows:

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|                                   | Quantity | Fair Value       |
|-----------------------------------|----------|------------------|
| <b>Equity securities at FVOCI</b> |          |                  |
| Sebastiani Ventures Corp.         | 113,806  | 16,502           |
|                                   |          | <u>\$ 16,502</u> |

At December 31, 2017, the Company held short-term investments available-for-sale as follows:

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|                                      | Quantity | Fair Value       |
|--------------------------------------|----------|------------------|
| <b>Available-for-sale</b>            |          |                  |
| Carube Copper Corp.                  | 69,767   | \$ 4,186         |
| Evrin Resources Corp. <sup>(a)</sup> | 70,000   | 17,500           |
| Sebastiani Ventures Corp.            | 143,806  | 23,728           |
|                                      |          | <u>\$ 45,414</u> |

<sup>(a)</sup> On May 6, 2017, the Company received 100,000 shares from Evrin as a milestone share payment valued at \$27,000 (Note 4).

During the six months ended June 30, 2018, the Company received \$41,625 proceeds from the sale of equity securities at FVOCI (2017 - \$nil).

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

**6. Share Capital***(a) Authorized share capital*

The Company has unlimited common shares authorized without par value.

*(b) Stock Options*

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant (or lesser period prescribed by TSX-V policies), or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price on the TSX-V on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors. The stock option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares, calculated at the date of grant.

Stock option transactions and the number of stock options for the six months ended June 30, 2018 are summarized as follows:

| Expiry date                     | Exercise price | December 31, 2017 | Granted | Exercised | Expired / cancelled | June 30, 2018 |
|---------------------------------|----------------|-------------------|---------|-----------|---------------------|---------------|
| December 19, 2018               | \$ 1.50        | 31,667            | -       | -         | -                   | 31,667        |
| December 9, 2019                | \$ 0.75        | 96,667            | -       | -         | -                   | 96,667        |
| August 15, 2021                 | \$ 0.10        | 500,000           | -       | -         | -                   | 500,000       |
| Options outstanding             |                | 628,334           | -       | -         | -                   | 628,334       |
| Options exercisable             |                | 628,334           | -       | -         | -                   | 628,334       |
| Weighted average exercise price |                | \$ 0.27           | \$ -    | \$ -      | \$ -                | \$ 0.27       |

*(c) Warrants*

The continuity of warrants for the six months ended June 30, 2018 is as follows:

| Expiry date                     | Exercise price | December 31, 2017 | Issued | Exercised | Expired | June 30, 2018 |
|---------------------------------|----------------|-------------------|--------|-----------|---------|---------------|
| January 5, 2019                 | \$ 0.10        | 3,000,000         | -      | -         | -       | 3,000,000     |
| Outstanding                     |                | 3,000,000         | -      | -         | -       | 3,000,000     |
| Weighted average exercise price |                | \$ 0.10           | \$ -   | \$ -      | \$ -    | \$ 0.10       |

**ASCENT INDUSTRIES CORP.**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
In Canadian dollars  
(Unaudited)

**6. Share Capital (continued)**

(d) *Finder's Options*

The continuity of finder's options for the six months ended June 30, 2018 is as follows:

| Expiry date                     | Exercise price | December 31, 2017 | Issued | Exercised | Expired | June 30, 2018 |
|---------------------------------|----------------|-------------------|--------|-----------|---------|---------------|
| January 5, 2019 <sup>(1)</sup>  | \$ 0.05        | 70,000            | -      | -         | -       | 70,000        |
| Outstanding                     |                | 70,000            | -      | -         | -       | 70,000        |
| Weighted average exercise price | \$ 0.05        | \$ -              | \$ -   | \$ -      | \$ -    | \$ 0.05       |

<sup>(1)</sup> Each finder's option is exercisable into one share and one warrant, with each warrant exercisable at \$0.10 until January 5, 2019.

**7. Related Party Transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the six months ended June 30, 2018

|  | Short-term employee benefits | Other expenses | Share-based payments | Total |
|--|------------------------------|----------------|----------------------|-------|
| Mark Brown<br>Interim Chief<br>Executive Officer | \$ -                         | \$ -           | \$ -                 | \$ -  |
| Winnie Wong<br>Chief Financial<br>Officer        | \$ -                         | \$ -           | \$ -                 | \$ -  |

For the six months ended June 30, 2017

|  | Short-term employee benefits | Other expenses | Share-based payments | Total |
|--|------------------------------|----------------|----------------------|-------|
| Mark Brown<br>Interim Chief<br>Executive Officer | \$ -                         | \$ -           | \$ -                 | \$ -  |
| Winnie Wong<br>Chief Financial<br>Officer        | \$ -                         | \$ -           | \$ -                 | \$ -  |

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

**7. Related Party Transactions (continued)**

Related party transactions and balances:

| Amounts due to:                                    | Services                              | For the six months ended |                  | As at            |                      |
|--|---------------------------------------|--------------------------|------------------|------------------|----------------------|
|  |                                       | June 30,<br>2018         | June 30,<br>2017 | June 30,<br>2018 | December 31,<br>2017 |
| Pacific Opportunity<br>Capital Ltd. <sup>(a)</sup> | Management and<br>accounting services | 41,360                   | 15,000           | 22,428           | 12,279               |
| <b>TOTAL:</b>                                      |                                       | <b>\$ 41,360</b>         | <b>\$ 15,000</b> | <b>\$ 22,428</b> | <b>\$ 12,279</b>     |

(a) Pacific Opportunity Capital Ltd., is a company controlled by a director and officer of the Company.

The above amounts are non-interest bearing, unsecured with no specified terms of repayment.

The balances owed to related party as at June 30, 2018 and December 31, 2017 are included in trade and other payables.

**8. Financial Instruments**

|                              | June 30,<br>2018   |               | December 31,<br>2017 |               |
|------------------------------|--------------------|---------------|----------------------|---------------|
|                              | Carrying<br>amount | Fair<br>value | Carrying<br>amount   | Fair<br>value |
| <b>Financial Assets</b>      |                    |               |                      |               |
| Cash                         | \$ 1,427           | \$ 1,427      | \$ 9,691             | \$ 9,691      |
| Receivables                  | 3,929              | 3,929         | 431                  | 431           |
| Deposits and receivables     | 20,000             | 20,000        | 20,000               | 20,000        |
| Equity securities at FVOCI   | 16,502             | 16,502        | 45,414               | 45,414        |
| <b>Financial Liabilities</b> |                    |               |                      |               |
| Trade and other payables     | \$ 95,613          | \$ 95,613     | \$ 33,578            | \$ 33,578     |

Fair values for short-term investments are determined directly by reference to published price quotations in an active market. These instruments are classified in accordance with level 1 of the fair value hierarchy.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liability either directly (i.e. – as prices) or indirectly (i.e. – derived from prices); and

Level 3 – Inputs that are not based on observable market data.

|                            | June 30,<br>2018 | December 31,<br>2017 |
|----------------------------|------------------|----------------------|
| <i>Level 1</i>             |                  |                      |
| Equity securities at FVOCI | \$ 16,502        | \$ 45,414            |

**ASCENT INDUSTRIES CORP.**

(formerly Paget Minerals Corp.)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

In Canadian dollars

(Unaudited)

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**8. Financial Instruments (Continued)**

The fair values of the Company's cash, receivables, and trade and other payables approximate their fair value due to the short-term nature of these instruments. Non-current deposits and receivables also approximate its carrying value as it is not subject to changes in fair value.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk, interest risk and price risk.

*(a) Credit Risk*

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk, defined as the sum of its cash, and receivables is equal to its carrying value. The Company holds its cash with a major Canadian financial institution. The Company's deposits and receivables are subject to uncertainty on the timing of collection. The maximum exposure is equal to its carrying value.

*(b) Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as discussed in Note 10. The Company plans to obtain further equity financing to fund operations and future obligations as they come due.

*(c) Currency Risk*

The Company has nominal currency risk as it operates primarily in Canada and its functional currency is the Canadian dollar. As such, the Company is not subject to currency risk.

*(d) Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss due to fluctuations in market rates is nominal due to surplus funds being held as cash or short-term interest bearing deposits.

Assuming all other variables remain constant, a 1% change in interest rates would result in an immaterial difference in the Company's annual finance income.

*(e) Price Risk*

Price risk is the risk that fair value or future cash flows of the Company's equity securities at FVOCI in quoted mining exploration companies will fluctuate and the Company will realize a loss on disposal of the short-term investments.

The fair value of the Company's equity securities at FVOCI represents the maximum exposure to price risk. Assuming all other variables remain constant, a 20% change in the quoted stock prices would result in an increase/decrease in the Company's loss and comprehensive loss of approximately \$3,300.

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(Unaudited)

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**9. Management of Capital**

The Company includes equity as capital and it endeavours to safeguard its ability to continue as a going concern, while maintaining a flexible capital structure. As the Company has no regular cash inflows from operations, the Company may attempt to issue new shares, dispose of, or pursue option agreements and/or joint ventures on assets in order to raise funds. In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including capital deployment and general industry conditions.

The Company's current investment policy is to hold its cash balances at a major Canadian financial institution in order to preserve and protect its capital. The Company is not subject to any externally imposed restrictions on the management of its capital structure. There were no changes to the Company's capital management approach during the year.

**10. Events after Reporting Period**

- a) On July 24, 2018, the Company closed a non-brokered private placement at a price of \$0.05 per unit for gross proceeds of approximately \$2.4 million (the "Offering"). Each unit consists of one common share and one warrant exercisable at \$0.10 until July 24, 2020. The Company used a portion of the proceeds to cover transaction expenses related to the Ascent RTO and used the remaining proceeds for general corporate purposes. In connection with the Offering, the Company paid certain finders, in the aggregate, a cash fee of approximately \$31,000 in consideration for services provided in connection with the Offering.
- b) At its Annual and Special shareholders' meeting held on July 26, 2018, the shareholders of the Company approved the voluntary de-listing of Paget's common shares from the NEX board of the TSX Venture Exchange (the "TSX-V") and the amalgamation of the Company and Ascent Industries Corp.
- c) On August 8, 2018, the Company was delisted from the TSX-V.
- d) On August 9, 2018, the Company and Ascent Industries Corp. completed the amalgamation and the new amalgamated entity Ascent Industries Corp. was listed on the CSE under the trading symbol "ASNT". All pre-amalgamated securities of the Company were consolidated on a 6 to 1 basis, with each six pre-amalgamated securities of the Company consolidated into one amalgamated entity's security.