

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

**Introductory Comment and Overview**

Ascent Industries Corp. (formerly Paget Minerals Corp.) (“Ascent” or the “Company”) was incorporated on May 24, 2007 under the laws of British Columbia. The Company is listed on the Canadian Securities Exchange (“CSE”) trading under the symbol “ASNT”.

This MD&A reflects the accounts of the public company (Paget Minerals Corp.) prior to completion of the amalgamation with Ascent Industries Corp.

The Company was classified as a “venture issuer” for the purpose of National Instrument 51-102. Unless otherwise cited, references to dollar amounts are expressed in Canadian dollars. Throughout this report we refer from time to time to “Ascent”, “Company”, “we”, “us”, “our”, or “its”. All these terms are used in respect of the Company, which is the reporting issuer in this document. We recommend that readers consult the “Cautionary Statements” on the last page of this report. Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A is dated August 24, 2018 and discloses specified information up to that date.

**Major Interim Period Operating Milestones**

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.

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.

At its Annual and Special shareholders’ meeting held on July 26, 2018, the shareholders of the Company approved the voluntary de-listing of the Company’s common shares from the NEX board of the TSX Venture Exchange (“TSX-V”) and the amalgamation of the Company and Ascent Industries Corp.

On August 8, 2018, the Company was delisted from the TSX-V.

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.

### About Ascent Industries Corp.

In Canada, Ascent (through its wholly-owned subsidiaries) is a Licensed Producer under the *Access to Cannabis for Medical Purposes Regulations* of Health Canada, with licenses to cultivate cannabis and produce cannabis extracts. In addition, the Company is a Licensed Dealer under the *Controlled Drugs and Substances Act (Canada)*, with the ability to produce, package, sell, send, transport and distribute medically focused cannabis products in Canada to other licensed entities and internationally in jurisdictions where medical cannabis is legal. In the United States, the Company holds licenses in Oregon (for processing and for distribution of cannabis to any licensed entity in the state) and in Nevada (for cultivation and for production, processing and wholesale distribution of cannabis). In Europe, Agrima ApS, a Danish company and wholly-owned subsidiary of Ascent, has submitted license applications for a Wholesaler Dealers License and Controlled Drug License in Denmark, and applications for the approval of eight products to the Danish Medical Cannabis Pilot Program.

The Company's operations currently include licensed facilities in British Columbia, Canada, and in Oregon and Nevada in the United States. The Company is increasing its cultivation and production capacity from 50,000 square feet to 710,000 square feet in 2018, from which it expects to produce significantly higher amounts of cannabis and cannabis oil to support its expanding operations.

The Company offers a product suite of more than 40 unique products under several consumer-focused brands, including gel capsules, tinctures, medicinal oils, concentrates, vaporizer pens, pre-rolled joints, various edibles and raw flower. Through careful development of its sophisticated cannabis brands, Ascent is positioned to be a leader in branded, commercialized products in both medical and adult-use markets across North America and internationally.

In addition, the Company conducts cannabis-based research with Simon Fraser University and the University of Kentucky, including in the area of unique cannabinoid formulations that produce targeted physiological outcomes.

### **Quarterly Financial Condition**

#### Capital Resources

The Company completed a \$2.4 million private placement in July 2018 and amalgamated with Ascent Industries Corp. in August 2018. The Company is aware of the current conditions in the financial markets and has planned accordingly. If the market conditions prevail or improve, the Company will make adjustment to the budgets accordingly. The Company has revenue and will continue to expand its operation via debt or equity financing.

#### Liquidity

The Company had a working deficiency of \$73,755 as at June 30, 2018 (December 31, 2017 – working capital of \$21,958). Cash totaled \$1,427 as at June 30, 2018, a decrease of \$8,264 from \$9,691 as at December 31, 2017. The decrease was a result of \$49,889 spent in operating activities while being offset by \$41,625 proceeds received from the sale of short-term investments.

## Operations

### **For the three months ended June 30, 2018 compared with the three months ended June 30, 2017:**

During the three months ended June 30, 2018, the Company had a net loss of \$78,720 (\$0.01 loss per share) compared to a net income of \$16,808 (\$0.00 earnings per share) for the same period in 2017. The increase in net loss was due to the Company having to incur more professional fees with regards to the amalgamation with Ascent during the three months ended June 30, 2018; while in fiscal 2017, the Company received 100,000 common shares from Evrim Resources Corp. ("Evrin") value at \$27,000 for milestone payments.

### **For the six months ended June 30, 2018 compared with the six months ended June 30, 2017:**

During the six months ended June 30, 2018, the Company had a net loss of \$108,426 (\$0.01 loss per share) compared to a net income of \$1,673 (\$0.00 earnings per share) for the same period in 2017. The increase in net loss was due to the Company having to incur more professional fees with regards to the amalgamation with Ascent during the six months ended June 30, 2018; while in fiscal 2017, the Company received 100,000 common shares from Evrim value at \$27,000 for milestone payments.

## **Related Party Transactions**

During the quarter, there were no significant transactions between related parties.

## **Risk Factors**

The risks factors associated with the amalgamation with Ascent Industries Corp. are disclosed in the joint information circular dated July 2, 2018 (the "Joint Information Circular") filed on SEDAR on July 4, 2018. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Joint Information Circular.

## **Disclosure of Outstanding Share Data**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

	No. of Common Shares Issued & Outstanding	Share Capital Amount
December 31, 2017	9,279,834	\$13,089,947
June 30, 2018	9,279,834	\$13,089,947

As at June 30, 2018, the Company had a total of 628,334 options outstanding with exercise prices ranging from \$0.10 to \$1.50, expiring between December 19, 2018 and August 15, 2021.

As at June 30, 2018, the Company had a total of 3,000,000 warrants outstanding with an exercise price of \$0.10 expiring on January 5, 2019.

As at June 30, 2018, the Company had a total of 70,000 finder's options outstanding with an exercise price of \$0.05 expiring on January 5, 2019. Each finder's option is exercisable into a common share and a warrant which is then exercisable at \$0.10 expiring on January 5, 2019.

On July 24, 2018, the Company closed a non-brokered private placement of 47,976,000 units at a price of \$0.05 per unit for gross proceeds of \$2,398,000. Each unit consists of one common share and one warrant exercisable at \$0.10 until July 24, 2020.

On August 9, 2018, the Company's securities were consolidated on a 6 to 1 basis, whereby every six pre-amalgamated securities of the Company were consolidated into one amalgamated entity's security.

#### **Cautionary Statements**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding operation results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of our investment, the scope of our operation, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with our industry, price volatility in the cannabis market, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.