



**FORM 7**  
**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Ascent Industries Corp.** (the "Company" or the "Issuer")

Trading Symbol: **ASNT**

Number of Outstanding Listed Securities: **320,151,457 common shares, non-diluted**

Date: **28 February 2019**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**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.



### ***Special Meeting Requisition***

The Company received a requisition from shareholder Drew Malcolm, on behalf of certain shareholders (the "**Malcolm Group**"), requesting a general meeting of the Company's shareholders to consider resolutions, including the replacement of the current board of directors with seven new directors nominated by the Malcolm Group. The Company advised that it will hold its Annual Meeting along with a Special Meeting of Shareholders on June 6, 2019. The Company will prepare a Management Information Circular ("**MIC**") in connection with the Annual and Special Meeting which will contain a full response to statements made by the Malcolm Group and will also contain a full history of the actions undertaken by both current and former members of management, as well as the Malcolm Group, that have resulted in the Company's current financial and operational difficulties. The Company intends to file its MIC well in advance of the June 6, 2019 Annual and Special Meeting.

### ***Resignation of Director***

Mark Brown resigned as a Director of the Company effective February 14, 2019.

### ***Nevada Licence***

The Company's wholly-owned subsidiary, Sweet Cannabis NV Inc. ("**SC**"), has received notice from Clark County's Department of Business Licence of the potential suspension, revocation or non-renewal of SC's Master Marijuana Licence (the "Clark Licence") in Clark County, Nevada due to, among other things, the situation with Health Canada and a party purportedly held by SC in the H-1 Zone Resort Corridor in Las Vegas. SC has been advised that it must appear before a Hearing Officer on March 28, 2019 to show cause why the Clark Licence shall not be permanently suspended, revoked or non-renewed. The Company is fully committed to addressing the Department's concerns and to show cause why the Clark Licence in Nevada should not be permanently suspended, revoked or non-renewed. The Company will appear and provide appropriate information at the March 28, 2019 hearing.

### ***Health Canada Update***

The Company received further correspondence from Health Canada regarding the suspension and proposed revocation of the Canadian producer's licence and dealer's licence (collectively, the "**Licences**") issued by the Agency to Agrima Botanicals Corp. ("**Agrima**"), a wholly-owned subsidiary of the Company. Health Canada has repeated its previous position that the Company has failed to demonstrate that the suspension, and proposed revocation, of Agrima's Licences is unfounded, or that the failures that gave rise to the suspension were rectified. The Agency re-iterated its concerns that unauthorized activities with cannabis took place after the Canadian producer's licence and dealer's licence were granted to Agrima, in contravention of the ACMPR and *Controlled Drugs and Substances Act* (now regulated under the *Cannabis Act*). Health Canada advised that it still intends to revoke the Licences, and gave the Company until February 20, 2019 to make any additional submissions. The Company made further submissions to Health Canada to address the suspension and proposed revocation of the Licences. Health Canada has acknowledged receipt of the further submissions and the Company is awaiting Health Canada's responses to the submission.



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

In Canada, management has been focused on the response and hearing process with Health Canada with the aim of maintaining its licenses.

In the United States, management has been reviewing operations in both Oregon and Nevada. In addition, management has been reviewing the allegations and preparing to show cause why the Clark Licence in Nevada should not be permanently suspended, revoked or non-renewed.

Internationally, management has been reviewing operations in Denmark.

In addition, management has been discussing strategic alternatives with advisors.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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

The Company previously laid off 30 Canadian staff, representing approximately 36% of total Canadian staff. More layoffs may occur if required to protect the Company's financial position while it addresses the proposed revocation by Health Canada of the Licences, and the show cause hearing for the Clark Licence in Nevada.

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

Not applicable.

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.

Please see Item 1 above with respect to the Clark Licence.

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

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

*(1) State aggregate proceeds and intended allocation of proceeds.*

14. Provide details of any loans to or by Related Persons.

Not applicable.

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

Not applicable.



16. 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 arise in the United States primarily and are: (i) the changing legal and regulatory regime which regulates the production and sale of cannabis and cannabis related products, including the interplay between state and federal laws and enforcement in the United States; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis related products to adequately track and legally transfer such funds, especially in the United States; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. With the passing of the Hemp Farming Act in the United States, there is expected to be a significant increase in hemp based activity in the United States, as well as an increase in hemp based products into the US market going forward.

See the sections entitled "Risk Factors" in Ascent's Revised Annual Information Form dated October 1, 2018, its Prospectus dated November 6, 2018, and its Management Discussion and Analysis dated November 29, 2018 for further, detailed discussion of risk factors.

### **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 March 6, 2019.

"Blair Jordan"

Blair Jordan, Interim CEO



<b>Issuer Details</b> Name of Issuer Ascent Industries Corp.	For Month End February 2019	Date of Report YY/MM/D 2019/03/06
Issuer Address 260 - 22529 Lougheed Highway		
City/Province/Postal Code Maple Ridge, BC V2X 0T5	Issuer Fax No. 604-380-3841	Issuer Telephone No. 604-908-1305
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