

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: LUFF Enterprises Ltd. (formerly Ascent Industries Corp.) (the "Issuer")

Trading Symbol: LUFF

Number of Outstanding Listed Securities: 362,923,829

Date: June 4, 2020

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.

The Issuer is a U.S.-focused cannabis company specializing in brand building, high-quality finished goods manufacturing, and wholesale distribution. The company's operations currently include facilities in Oregon and Nevada in the United States. 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.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Issuer or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Issuer's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Issuer's business, financial condition or results of

operations. The extent to which the COVID-19 outbreak impacts the Issuer's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

During the month of May 2020, the Issuer actively continued general and corporate operations (see Item 2 for further details).

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

During the month of May 2020, management continued to support and control the Issuer's business activities, advance the assets of the Issuer and develop the Issuer's business.

On May 13, 2020, the Issuer announced by way of news release that on May 11, 2020, the Issuer filed all outstanding financial statements which include (i) the audited annual financial statements for the year ended December 31, 2018, (ii) the interim financial statements for March 31, 2019, June 30, 2019, and September 30, 2019, (iii) the audited annual financial statements for the year ended December 31, 2019, and (iv) all corresponding management discussion & analyses and accompanying CEO and CFO certifications for the above noted periods. On May 12, 2020, the Issuer received a revocation order from the Executive Director of the British Columbia Securities Commission, informing the Issuer that all required records had been filed and that the Management Cease Trade Order had been revoked.

In addition, the Issuer announced it will be hosting its annual general meeting of shareholders on Wednesday, June 24, 2020, at 10:00 am (Pacific Daylight Time) (the "AGM").

On May 15, 2020, the Issuer announced by way of news release that effective May 15, 2020, the Issuer changed its name to Luff Enterprises Ltd. and its stock symbol to "LUFF". The Issuer will resume trading under the new name and stock symbol on May 19, 2020.

In addition, the Issuer announced the appointment of Philip Campbell to the Issuer's Board of Directors and to the office of CEO to lead the execution of the Issuer's streamlined business plan focused on the reactivation of its USA operations. As a result, effective May 15, 2020, Mark Lotz had stepped down as interim CEO of the Issuer and will continue to serve as CFO and a Director until the AGM.

On May 15, 2020, the Issuer announced by way of news release that in relation to the final settlement of Affected Creditor claims under CCAA proceedings, an aggregate of 35,572,372 Common shares having an inferred value of \$889,309 were issued. Further it settled outstanding indebtedness of \$180,000 through the issuance of 7,200,000 Common shares of the Issuer at a deemed price of \$0.025 per Common share.

On May 19, 2020, the Issuer announced by way of news release that its Common shares did not resume trading on May 19, 2020, as previously indicated in the Issuer's news release dated May 15, 2020. The Issuer's common shares will instead resume trading under the new stock symbol "LUFF" with ISIN CA5497501075 on May 20, 2020.

On May 28, 2020, the Issuer announced by way of news release it had filed its unaudited consolidated financial statements and related notes for the quarterly period ended March 31, 2020, and accompanying management discussion & analysis (the "Q1 Statements") with the Securities Commissions in those provinces of Canada it is a reporting issuer and on SEDAR. The Q1 Statements, when read in conjunction with the Issuer's 2019 audited consolidated financial

statements, set forth the significant costs incurred by the Issuer associated with completing its CCAA proceedings. As a final step in addressing costs associated with the CCAA process, the Issuer issued a three year unsecured convertible debenture having a principal amount of CDN\$438,000 (the “Convertible Debenture”) to a company controlled by Drew Malcolm for the reimbursement of costs incurred by Mr. Malcolm in connection with the CCAA proceedings deemed of benefit and in the interest of the Issuer.

The Convertible Debenture is convertible into 17,520,000 Common shares of the Issuer at the election of Mr. Malcolm at any time and by the Issuer’s election during any period where the 20-day weighted average trading price of the Issuer’s common shares is \$0.10 or greater. If the Convertible Debenture was to be converted in full, Mr. Malcolm would directly and indirectly own common shares representing 10.94% of the Issuer’s outstanding Common shares, calculated on a fully-diluted basis.

The term of voting trust agreements entered into by Mr. Malcolm and certain shareholders of the Issuer historically referred to as members of the “Drew Malcolm Voting Trust” has not been renewed and all such voting trust agreements terminate in accordance with their terms. In addition, the founders of the Issuer, which include Mr. Campbell, have terminated their agreements to sell all of their holdings of Common shares of the Issuer, previously announced in the first quarter of 2019, owing to the significant period for which the Issuer’s Common shares did not trade on the CSE (defined below). Management of the Issuer is not aware of any one shareholder or group of shareholders owning or controlling more than 10% of the currently issued and outstanding common shares of the Issuer.

Shareholders are reminded that the Issuer’s AGM will be held at 10:00 am (Pacific Daylight Savings Time) on June 24, 2020. Due to restrictions on mass gatherings implemented by the Government of British Columbia in response to COVID-19, physical attendance at the AGM will be limited to designated proxyholders utilizing appropriate social distancing measures. Accordingly, both registered and beneficial shareholders are directed and encouraged to complete and return the form of proxy that has been sent to them as soon as possible to ensure their voting instructions are received and acted upon. The Issuer will issue a press release on June 17, 2020, one week before the AGM, providing a dial in teleconference number to be used by those shareholders wishing to follow the proceedings at the AGM.

In addition, during the month of May 2020, management filed the Issuer’s:

- audited consolidated annual financial statements and management’s discussion and analysis for the year ended December 31, 2018, (together, the “2018 Annual Filings”);
- consolidated financial statement and management’s discussion and analysis for the three months ended March 31, 2019, (together, the “2019 Q1 Filings”);
- consolidated financial statement and management’s discussion and analysis for the six months ended June 30, 2019, (together, the “2019 Q2 Filings”);
- consolidated financial statement and management’s discussion and analysis for the nine months ended September 30, 2019, (together, the “2019 Q3 Filings”);
- audited consolidated annual financial statements and management’s discussion and analysis for the year ended December 31, 2019, (together, the “2019 Annual Filings”);
- consolidated financial statement and management’s discussion and analysis for the three months ended March 31, 2020, (together, the “2020 Q1 Filings”);]
- Management’s Proxy related materials in relation to its annual general meeting of shareholders being held on June 24, 2020 (the “Proxy Materials”);

The 2018 Annual Filings, 2019 Q1 Filings, 2019 Q2 Filings, 2019 Q3 Filings, 2019 Annual Filings and 2020 Q1 Filings, and Proxy Materials are available for viewing under the Issuer's profile on SEDAR (www.sedar.com) and/or on the Issuer's Disclosure Page on the Canadian Securities Exchange's website.

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.

None to report during the month of May 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.

None to report during the month of May 2020.

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.

None to report during the month of May 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.

The term of voting trust agreements entered into by Mr. Malcolm and certain shareholders of the Issuer historically referred to as members of the "Drew Malcolm Voting Trust" have not been renewed and all such voting trust agreements terminate in accordance with their terms. In addition, the founders of the Issuer, which include Mr. Campbell, have terminated their agreements to sell all of their holdings of Common shares of the Issuer.

See Item 2 for further details.

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.

None to report during the month of May 2020.

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

None to report during the month of May 2020.

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

None to report during the month of May 2020.

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

None to report during the month of May 2020.

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

None to report during the month of May 2020.

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.

None to report during the month of May 2020.

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

See Item 2 for further details.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	7,200,000	Common shares issued May 15, 2020 pursuant to settlement of indebtedness	N/A See Item 2 for further details
Convertible Debenture	\$438,000 (Principal Amount)	Three-year unsecured convertible debenture (interest at 6% per annum) maturing May 15, 2023, convertible into 17,520,000 Common shares at a price of \$0.025 per Common share	

(1) Aggregate proceeds and intended allocation of proceeds

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

None to report during the month of May 2020.

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

During the month of May, Philip Campbell was appointed to the Board of Directors of the Issuer and to the office of CEO. As a result, Mark Lotz had stepped down as interim CEO of the Issuer and will continue to serve as CFO and a Director.

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 identified by management as potentially impacting its business and financial condition are: (i) the changing legal and regulatory environment in the United States with respect to the production and sale of cannabis and hemp as well as their derivative products, including the differences that exist between state and federal laws; (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 (ii) With the passing of the Hemp Farming Act in the United States, there remains uncertainly regarding the administration of the rules.

For further details on trends and risks which are likely to impact the Issuer are detailed in the Issuer's Form 2A - Listing Statement dated October 1, 2018 (the "Listing Statement"), under the heading "Item 17. Risk Factors" and the Issuer's Management Discussion and Analysis dated May 28, 2020 (the "MD&A"), under the heading "Risk Factors". The Listing Statement and MD&A can be viewed under the Issuer's profile on SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website.

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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 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 June 4, 2020

Mark Lotz
Name of Director or Senior Officer

/s/ Mark Lotz
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer LUFF Enterprises Ltd.	For Month End May 2020	Date of Report YYYY/MM/DD 2020/06/04
Issuer Address Suit 800, 543 Granville Street Vancouver, BC, V6C 1X8	Issuer Fax No. N/A	Issuer Telephone No. 778-819-0326
Contact Name Mark Lotz	Contact Position Chief Financial Officer	Contact Telephone No. 604-880-6546
Contact Email Address mark.lotz@luffbrands.com	Web Site Address https://luffbrands.com/	