

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: **390,083,032**

Date: **January 7, 2021**

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 industrial hemp 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 industrial hemp and in Nevada for cultivation, production and wholesale of industrial hemp. The Company also holds cannabis licenses in those states.

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

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.

The Issuer completed production of a suite of four consumer packaged products under the brand JiBE Wellness. They are available for sale via an ecommerce platform in the United States.

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 December 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 December 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.

None to report during the month of December 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.

None to report during the month of December 2020.

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

None to report during the month of December 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.

The Issuer completed its first round of production of its new brand JIBE Wellness. Product for both of the Issuer's brands, JIBE and LUFF, are now available for sale in our ecommerce platforms.

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 December 2020.

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

None to report during the month of December 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 December 2020.

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

On December 23, 2020, the Issuer closed a \$2,000,000 financing to support expansion of sales and marketing efforts of its CBD wellness products. The Loan is advanced by a North American private investor group and is secured by LUFF's Nevada property. The Loan bears a 12% per annum interest rate, matures on July 30, 2021 and can be extended by six months at LUFF's option. The terms are consistent with financings of this kind and like those previously arranged by the Company. An advance fee of 3% was also paid to the lenders in connection with the Loan.

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

In connection with the above mentioned loan, the Issuer granted the lenders 12 million warrants with an exercise price of \$0.025 and an expiry of two years from the closing date of the financing.

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

None to report during the month of December 2020.

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

None to report during the month of December 2020.

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 August 20, 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 January 7, 2021

Elizabeth Coles
Name of Director or Senior Officer

/s/ Elizabeth Coles
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i> Name of Issuer LUFF Enterprises Ltd.	For Month End December 2020	Date of Report YYYY/MM/DD 2021/01/07
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Contact Name Elizabeth Coles	Contact Position Chief Financial Officer	Contact Telephone No. 250-419-7665
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