

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This preliminary short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in the provinces of the British Columbia, Alberta and Ontario, that permit certain information about these securities to be determined after the short form base shelf prospectus has become final and that permit the omission of that information from this prospectus. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Ascent Industries Corp., 260 – 22529 Lougheed Highway, Maple Ridge, British Columbia, V2X 0T5 (Telephone: 604-908-1305) (Attn: Chief Financial Officer), and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

October 12, 2018



\$100,000,000

**Common Shares
Warrants
Subscription Receipts
Units
Debt Securities**

This short-form base shelf prospectus (the “**Prospectus**”) relates to the offering for sale of common shares (the “**Common Shares**”), warrants (the “**Warrants**”), subscription receipts (the “**Subscription Receipts**”), debt securities (the “**Debt Securities**”), or any combination of such securities (the “**Units**”) (all of the foregoing, collectively, the “**Securities**”) by Ascent Industries Corp. (the “**Company**” or “**Ascent**”) from time to time, during the 25-month period that the Prospectus, including any amendments hereto, remains effective, in one or more series or issuances, with a total offering price of the Securities in the aggregate, of up to \$100,000,000. The Securities may be offered in amounts at prices to be determined based on market conditions at the time of the sale and set forth in

an accompanying prospectus supplement (a “**Prospectus Supplement**”). In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

The Company’s outstanding Common Shares are listed for trading on the Canadian Securities Exchange (the “**CSE**”) under the trading symbol “**ASNT**”. The closing price of the Company’s Common Shares on the CSE on October 11, 2018, the last trading day before the date of the Prospectus, was \$0.67 per Common Share. **Unless otherwise disclosed in any applicable Prospectus Supplement, the Debt Securities, the Warrants, the Subscription Receipts and the Units will not be listed on any securities exchange. Unless the Securities are disclosed to be listed, there will be no market through which these Securities may be sold and purchasers may not be able to resell these Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation.**

Investing in the Securities of the Company involves a high degree of risk. You should carefully review the risks outlined in this Prospectus (together with any Prospectus Supplement) and in the documents incorporated by reference in this Prospectus and consider such risks in connection with an investment in such Securities. See “Risk Factors”.

The specific terms of the Securities with respect to a particular offering will be set out in one or more Prospectus Supplements and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of Warrants, the offering price, the designation, number and terms of the Common Shares issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Common Shares or Warrants, as the case may be, and any other specific terms; (iv) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for the Debt Securities being offered, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the Debt Securities are secured, affiliate-guaranteed, senior or subordinated and any other terms specific to the Debt Securities being offered; and (v) in the case of Units, the designation, number and terms of the Common Shares, Warrants, Subscription Receipts or Debt Securities comprising the Units. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

Unless otherwise provided in a prospectus supplement relating to a series of Debt Securities, the Debt Securities will be our direct, unsecured and unsubordinated obligations and will be issued under a trust indenture. The aggregate initial offering price shall be calculated, in the case of interest bearing Debt Securities, on the basis of the principal amount of Debt Securities, and in the case of non-interest bearing Debt Securities, on the basis of the gross proceeds received by the Company from the particular offering.

All information permitted under applicable securities legislation to be omitted from the Prospectus will be contained in one or more Prospectus Supplement(s) that will be delivered to purchasers together with the Prospectus, except in cases where an exemption from such delivery requirements have been obtained. Each Prospectus Supplement will be incorporated by reference into the Prospectus for the purposes of applicable securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. Investors should read the Prospectus and any applicable Prospectus Supplement carefully before investing in the Company’s Securities.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdictions. The Company may offer and sell Securities to, or through, underwriters or dealers, directly to one or more other purchasers, or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities will set forth the names of any underwriters, dealers or

agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts, concessions or other compensation payable to the underwriters, dealers or agents, and any other material terms of the plan of distribution.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), other than an “at-the-market distribution” (as defined under applicable Canadian securities legislation), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. See “Plan of Distribution”.

No underwriter has been involved in the preparation of the Prospectus or performed any review of the contents of the Prospectus.

Each of Dan Williams, the Vice President, U.S. Operations and Amy Margolis, a director, reside outside of Canada. Each of the individuals has appointed McMillan LLP, located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, as agent for service of process in British Columbia. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any such person, even though they have each appointed an agent for service of process.

The head office of the Company is located at 260 - 22529 Lougheed Highway, Maple Ridge, British Columbia, V2X 0T5. The registered office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

This Prospectus relates to the securities of entities that currently do, and are expected to continue to, indirectly derive a portion of their revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. Federal Law. Ascent is involved (through wholly-owned subsidiaries) in the cannabis industry in the United States in those States where local state law permits such activities, as well as the medical cannabis industry in Canada. Canada has regulated medical use and commercial activity involving cannabis and proposed Bill C-45, referred to as the *Cannabis Act* (Canada), to regulate the production, distribution and sale of cannabis for unqualified adult-use. While Bill C-45 received royal assent in June 2018, implementation of various aspects of the regime, including preparing markets for retail sales, will not occur until October 17, 2018.

Almost half of U.S. states have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol ("THC"), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "CSA") in the United States and as such, may be in violation of federal law in the United States.

As a result of the conflicting views between state legislatures and the United States federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future investments of the Ascent in the United States. As such, there are a number of risks associated with Ascent's existing and future investments in the United States, and such investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. As a result, Ascent may be subject to significant direct and indirect interaction with public officials. See "*Information Concerning the Resulting Issuer - Risk Factors Related to the United States*" in the Circular.

For the reasons set forth above, Ascent's interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported by certain publications in Canada that CDS may implement policies, the effect of which would be to refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets. The TMX Group, owner and operator of CDS subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S., despite media reports to the contrary and that they were working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. On November 24, 2017, The TMX Group issued a further statement acknowledging that the matter is complex and touches multiple aspects of Canada's capital markets system and, as such, requires close examination and careful consideration. The TMX Group noted that CDS continues to work with regulators and exchanges to arrive at a solution that will clarify this matter for issuers, investors, participants and the public. This solution will be founded on each exchange's role in applying listing requirements, including exchange rules related to issuers' compliance with applicable laws. In the interim, the TMX Group reiterated there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding (the "MOU") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSXV. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future.

If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of Common Shares through the facilities of a stock exchange. See "*Information Concerning the Resulting Issuer – Risk Factors Related to the United States*" in the Circular.

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ABOUT THIS PROSPECTUS

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to “we”, “our”, “us”, “Ascent” or the “Company” refer to Ascent Industries Corp. and each of its material subsidiaries.

The Company may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate offering amount of \$100,000,000 or the equivalent in other currencies. This Prospectus provides you with a general description of the Securities that we may offer. Each time the Company sells Securities under this Prospectus, the Company will provide a prospectus supplement that will contain specific information about the terms of that offering of Securities. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before you invest, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information described under the heading “Documents Incorporated by Reference”. The Company has not authorized anyone to provide you with different information. You should assume that the information contained in this Prospectus, any applicable Prospectus Supplement and the documents incorporated by reference in this Prospectus is accurate only as of their respective dates. The Company’s business, properties, financial condition, results of operations and prospects may have changed since those dates. The Company is not making any offer of these Securities in any jurisdiction where the offer is not permitted.

Unless stated otherwise or as the context otherwise requires, all references to dollar amounts in this Prospectus and any Prospectus Supplement are references to Canadian dollars.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in the Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Company has not independently verified any of the data from third party sources referred to or incorporated by reference herein in the Prospectus and accordingly, the accuracy and completeness of such data is not guaranteed.

DOCUMENTS INCORPORATED BY REFERENCE

The Company incorporates by reference into this Prospectus documents that have been filed with securities commissions or similar authorities in Canada. You may obtain copies of the documents incorporated herein by reference without charge from Ascent Industries Corp., 260 – 22529 Lougheed Highway, Maple Ridge, British Columbia V2X 0T5 (Telephone: 604-908-1305) Attn: Chief Financial Officer. These documents are also available electronically from the website of Canadian Securities Administrators at www.sedar.com (“SEDAR”). The Company’s filings through SEDAR are not incorporated by reference in the Prospectus except as specifically set out herein.

The following documents filed on SEDAR with the securities regulatory authorities in the jurisdictions in Canada in which the Company is a reporting issuer are specifically incorporated by reference into and, except where herein otherwise provided, form an integral part of, this Prospectus:

1. revised annual information form of Ascent for the year ended May 31, 2018, dated October 1, 2018 (the “AIF”);
2. the audited consolidated financial statements of Ascent for the years ended May 31, 2018 and May 31, 2017;
3. the condensed interim financial statements of Paget for the three and six months ended June 30, 2018 and 2017 and the notes thereto filed with applicable securities regulatory authorities by Ascent subsequent to the amalgamation of Ascent with Paget on August 9, 2018;
4. the management’s discussion and analysis of Paget for the three and six months ended June 30, 2018 and 2017 filed with applicable securities regulatory authorities by Ascent subsequent to the amalgamation of Ascent with Paget on August 9, 2018;
5. the material change report dated July 30, 2018 filed by Paget relating to the closing of a non-brokered private placement of common shares for gross proceeds of approximately \$2.4 million;
6. the material change report dated July 5, 2018 filed by Paget relating to the entering into of the Amalgamation Agreement relating to the Amalgamation with Ascent; and
7. the material change report dated August 16, 2018 filed by the amalgamated company relating to the completion of the Amalgamation.

In addition, the Company may also incorporate by reference into this Prospectus any document of the type referred to in the preceding paragraph (excluding press releases) or of any other type required to be incorporated by reference into a short form prospectus pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* that are filed by us with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement. As discussed below, this Prospectus may also expressly update or revise any document incorporated by reference and such document should be deemed so amended or updated hereby.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of the Prospectus to the extent that a statement contained herein or in any other subsequently filed document that is also incorporated or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission

to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Prospectus.

All information permitted under applicable securities legislation to be omitted from the Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with the Prospectus, except in cases where an exemption from such delivery requirements has been obtained. A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of Securities covered by that Prospectus Supplement. Investors should read the Prospectus and any applicable Prospectus Supplement carefully before investing in the Company's Securities.

Any template version of any "marketing materials" (as such term is defined in NI 44-101) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

Upon a new annual information form and related annual financial statements being filed by the Company with, and where required, accepted by, the applicable securities regulatory authority during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, material change reports and information circulars and all Prospectus Supplements filed prior to the commencement of the financial year in which a new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

FORWARD LOOKING STATEMENTS

The Prospectus, including the documents incorporated by reference, contain forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") which may not be based on historical fact, including without limitation statements regarding our expectations in respect of future business strategy, production, sales, research, development, financial position, results of operations, cash flow, projections, ability to raise capital, events or developments that we expect to take place in the future, projected costs and plans and objectives. Often, but not always, forward-looking statements can be identified by the use of words such as "believes", "may", "plan", "will", "estimate", "scheduled", "continue", "anticipates", "intends", "expects", and similar expressions.

Such statements reflect our management's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- the status of our Health Canada licences;
- expenses that will be incurred by the Company;
- the Company's use of available funds;
- the performance of the Company's business and operations;
- the intention to grow the business and operations of the Company;
- the completion of the acquisition of Agrima Meadows by the Company;

- the Company plans to increase cultivation and production operations;
- sufficient working capital and the Company's ability to raise additional funding going forward;
- future legislative and regulatory developments involving medical and adult-use cannabis that may affect the Company;
- expected growth in the number of users of medical and adult-use cannabis in Canada;
- number of grams of medical and adult-use cannabis expected to be used by each user;
- expected growth in the Company's growing capacity;
- the methods used by the Company to deliver cannabis;
- the competitive conditions of the industry;
- the legalization of cannabis for recreational use in Canada and the United States, including federal, provincial and state regulations pertaining thereto and the timing related thereof and the Company's intentions to participate in such markets, if and when such market is legalized;
- the Company's ability to successfully brand products;
- the development of cannabis markets North America, Europe and globally;
- the timing of legalization of adult-use cannabis in Canada;
- access by the Company to debt and/or equity markets on acceptable terms to the Company;
- statements related to the effect and consequences of certain regulatory initiatives and related announcements, and the impact thereof for shareholders, industry participants and other stakeholders;
- expectations with respect to future production costs;
- expectations with respect to the renewal and/or extension of the Company's licenses;
- any commentary related to the legalization of cannabis and the timing related thereto;
- changes in laws and regulations affecting the Company;
- the competitive and business strategies of the Company;
- the Company's operations in the United States, the characterization and consequences of those operations under federal law, and the framework for the enforcement of medical cannabis and cannabis-related offenses in the United States;
- the grant and impact of any license or supplemental licence to conduct activities with cannabis or any amendments thereof;
- the anticipated future gross margins of the Company's operations; and

- other risks which are detailed in our information circulars, annual information forms, annual reports, MD&A, quarterly reports and material change reports filed with and furnished to securities regulators, and those risks which are discussed herein under the heading “**Risk Factors**”.

Such information is included, among other places, in the Prospectus under the headings “The Company”, “Use of Proceeds”, “Risk Factors”, and in the Circular under the headings “Information Concerning Ascent” and “Information Concerning the Resulting Issuer”, which document is incorporated by reference into this Prospectus.

Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company’s ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company’s competitors; and (ix) that the Company’s current good relationships with its suppliers, service providers and other third parties will be maintained.

These factors should be considered carefully and readers are cautioned to appreciate the inherent limitations of forward-looking statements. Readers are cautioned that the foregoing list of risk factors is not exhaustive and it is recommended that prospective investors consult the more complete discussion of risks and uncertainties facing the Company included in the Prospectus. See “**Risk Factors**” for a more detailed discussion of these risks.

Although we believe that the expectations conveyed by the forward-looking statements are reasonable based on the information available to us on the date such statements were made, no assurances can be given as to future results, approvals or achievements. The forward-looking statements contained in the Prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement. We cannot be responsible to update any of our forward-looking statements after the date of the Prospectus to conform such statements to actual results or to changes in our expectations except in the limited circumstances required by applicable law.

THE COMPANY

Name and Incorporation

The Company was incorporated under the BCBCA on April 19, 2006 under the name CMYK Capital Inc. The Company was a “capital pool company” that completed its initial public offering on the TSX Venture Exchange (“TSXV”) on May 29, 2007. On August 7, 2009, the Company completed an amalgamation with Paget which qualified as the Company’s “qualifying transaction” under TSXV rules and changed its name to “Paget Minerals Corp.” Effective November 14, 2017, the Company’s listing on the TSXV was transferred to the NEX Board of the TSXV. On August 9, 2018, the Company completed a reserve take-over transaction by way of an amalgamation (the “**Amalgamation**”) with Ascent Industries Corp., a private company incorporated under the BCBCA, to carry on the business of Ascent, and was renamed “Ascent Industries Corp.”. The Company was delisted from the NEX board of the TSXV and was listed on the CSE effective August 9, 2018.

The Company’s head office is located at 260-22529 Lougheed Highway, Maple Ridge, British Columbia V2X 0T5. The Company’s registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8.

General Business Activities

Ascent is in the business of the cultivation, processing, production, development and distribution of cannabis and cannabis-based products in Canada and the United States. Ascent has also initiated operations in Denmark from which it plans to expand into Europe. In Canada, Ascent, via its wholly-owned subsidiary Agrima Botanicals Corp. (“**Agrima**”) has received a Licensed Producer licence (the “**Licence to Produce**”) under the *Access to Cannabis for Medical Purposes Regulations* (“**ACMPR**”) of Health Canada, with licenses to cultivate cannabis and produce cannabis products. Ascent has applied for a sales license to distribute cannabis products in Canada under the ACMPR, including through an online e-commerce platform, which management expects to receive in the near future.

In addition, Ascent (through Agrima) has received a license for controlled drugs and substances (the “**Dealer’s License**”) from Health Canada pursuant to the *Narcotics Control Regulations* of the *Controlled Drugs and Substances Act* (Canada) (the “**NCR**”). The Dealer’s License is aligned with a key area of expertise of Ascent, being the manufacturing of cannabis oil-based products, such as gel-caps and tinctures. The Dealer’s License permits the possession, production, packaging, sale, sending, transportation and delivery of these products. Furthermore, the Dealer’s License enables Ascent to conduct research, clinical trials and provide a variety of analytical testing for Ascent and other licenced producers and licenced dealers. Ascent has applied to migrate activities allowed under the Dealer’s License to certain other licenses required under the Cannabis Act when it comes into effect, including an R&D license and an LP license.

On September 26, 2018, Ascent was informed by Health Canada that the Licence to Produce and Dealer’s Licence issued to Agrima were being partially suspended because Agrima had not met all of its recordkeeping and other compliance requirements during an annual inspection at the Agrima facility conducted between August 28, 2018 and August 30, 2018. On September 27, 2018, Ascent formally appealed the partial suspension of the licences with Health Canada and immediately took action to address Health Canada’s concerns, including: (i) enhancing Agrima’s Quality Assurance & Regulatory Compliance team with the addition of three experienced staff, headed by an individual with extensive Quality Assurance and Quality Control experience in Pharmaceutical and other highly regulated industries, (ii) conducting an audit of its record keeping controls and procedures, identifying areas for enhancement, and commenced implementation of operational improvements, and (iii) delivering certain managerial staff of their positions with the Company. On October 2, 2018, Ascent received written approval from Health Canada allowing Agrima to maintain the quality of its cannabis plants during the period that Agrima is pursuing the full reinstatement of its licenses, specifically cultivation, trimming, curing, sanitation, harvesting and maintenance of cannabis.

Ascent is in contact with Health Canada regarding the full reinstatement of the licences issued to Agrima. Health Canada has indicated it is currently reviewing Ascent's submissions and will respond in due course. Ascent believes it has taken the steps necessary to address the concerns of Health Canada in connection with reinstating the licences.

In the United States, Ascent holds licenses for the processing and wholesale distribution of cannabis in the State of Oregon and for the cultivation and processing of cannabis in the State of Nevada. In Europe, Ascent has applied for a Controlled Drugs License and a Wholesaler Dealer License in Denmark and has also submitted applications to import and distribute eight (8) cannabis-based products from Canada to Denmark under the new Danish Medical Cannabis Pilot Program.

Ascent's operations currently include a licensed facility in Maple Ridge, British Columbia, and licensed facilities in the States of Oregon and Nevada. In addition, Ascent has successfully applied for additional site Licensed Producer licenses for its two (2) new facilities in Pitt Meadows, British Columbia. Ascent's activities at each facility are governed by the applicable licenses held by Ascent, and currently include cultivation and extraction in Canada, and production, processing and wholesale distribution of cannabis in State of Oregon and cultivation and production of cannabis products in the State of Nevada.

Ascent is strategically positioned to be a leader of branded, commercialized products in medical and adult-use (recreational) markets across Canada, the United States and Europe. As a long-standing participant in the medical cannabis space, Agrima already has a loyal following of consumers across many of its brands and products, which will serve as a catalyst towards being a prominent first mover at the debut of adult-use legalization in Canada which is anticipated for October 17, 2018. Ascent's extensive product catalogue includes more than 40 unique products under several customer-focused house brands.

Ascent's business is currently focused primarily on the following areas:

1. Operations relating to medical and adult-use cannabis, when legal, in Canada;
2. Operations relating to medical and adult-use cannabis in Oregon, Nevada and other jurisdictions in the United States;
3. Operations relating to medical cannabis in all approved European countries, beginning with Denmark;
4. Research and development targeting the development of specialized cannabinoid therapy products for the emerging cannabis industry; and
5. Cannabis plant testing and genetic screening services.

Ascent expects to generate returns from the production, manufacture, packaging, distribution and sale of cannabis and cannabis-based products, on its behalf and on behalf of its partners, in the medical and adult-use markets in Canada, the United States and Europe, and elsewhere legally permitted.

Canadian Operations

Current Medical Operations

Ascent's wholly-owned subsidiary, Agrima, is a Licensed Producer for the cultivation and production (extraction and manufacturing) of medical cannabis under the ACMPR. Agrima is a patient-focused medical cannabis company whose mission is to provide a better quality of life. Its portfolio of medically-focused products offers an innovative and diverse selection of consistent, high-quality cannabis in many consumption formats. Ascent also plans to build a network of unique medical clinics and a digital portal to provide clients across Canada with easy, seamless and direct access across Canada to medical professionals and Agrima's extensive product range.

Agrima's Licensed Producer license (the "**Agrima License**") has a term that commenced on November 10, 2017 and ends on November 10, 2020. The Agrima License has been issued to Agrima for use at the Maple Ridge Facility and applies only to such facility. However, Agrima has applied to Health Canada for additional site licenses at both the Pitt Meadow Facility and the Pitt Meadows Lab that would allow these facilities to operate as Licensed Producers.

Canadian Facilities

The Maple Ridge Facility (Maple Ridge, British Columbia)

Ascent's wholly-owned subsidiary, Agrima, has the 27,000 square foot licensed Maple Ridge Facility which has a custom 15,000 square foot indoor growing, production and distribution facility built in 2012. The Maple Ridge Facility has an office and plant production building of pharmaceutical production grade quality, with hydroponic greenhouse high pressure sodium lighting and nutrient delivery equipment which is capable of producing over 1,800 kilograms of medical cannabis per year. Upon receipt of its Licensed Producer license, Agrima upgraded the facility's vegetative and flowering rooms, with the addition of full-spectrum LED and HID lighting, and improved cultivation systems. The improvements significantly increased plant capacity at the Maple Ridge Facility.

Agrima is in the process of obtaining an EU GMP certification for the Maple Ridge facility. This certification is required by several foreign governments for export to EU markets, and upon successful receipt, Agrima anticipates it will be in a position to distribute oil-based products (i.e. gel-caps and tinctures) to several EU countries, including Denmark to start.

The Pitt Meadows Facility (Pitt Meadows, British Columbia)

The Pitt Meadows Facility is a 650,000 square foot facility on a 25 acre property with a 600,000 square foot greenhouse located within approximately ten (10) kilometres from the Maple Ridge Facility. The Pitt Meadows Facility is approximately ten (10) years old, and consists of two (2) adjoining greenhouses with a metal frame, multi-gable roof (Dutch "Venlo" style) structure with single, 36 oz. glass panel walls and roof cladding, all on concrete perimeter and internal concrete pier footings. The entire canopy is covered with over 4,000 hydroponic greenhouse high pressure sodium lights, automated nutrient delivery equipment and environmental control systems. At full production capacity, the Company anticipates that the Pitt Meadows Facility will be capable of producing over one million grams of dried cannabis per week, with a substantial portion of the harvested material destined as an input for extraction and product manufacturing. An application for a license for the Pitt Meadows Facility has been filed with Health Canada and is in the late stages of review.

The Pitt Meadows Lab (Pitt Meadows, British Columbia)

Ascent has leased two adjoining warehouse spaces located within approximately twelve (12) kilometres from the Pitt Meadows Facility, and the Pitt Meadows Lab, which total approximately 40,000 square feet, comprised of high-ceiling warehouse space along with office and administrative space. The Pitt Meadows Lab is currently in Phase One (consisting of approximately 20,000 square feet) of construction to become a Good Manufacturing Practices (GMP) production-only facility, designed by Agrima engineers and scientists for high-volume extraction, formulation, automated manufacturing and sophisticated packaging capabilities. Phase Two (consisting of an additional approximately 20,000 square feet) is being designed for future use based on the Canadian demand for extracted products. An application for a license for the Pitt Meadows Lab has been filed with Health Canada, has completed review, and is at the confirmation of readiness stage. The Company anticipates that the Pitt Meadows Lab will turn outdoor and low-medium grade cannabis trim into high-margin extracted products ready for sale in the domestic medical and adult-use markets, as well as approved foreign markets.

Ascent has also begun implementation of the Agrima Craft Cannabis program, through which British Columbia's world-renowned craft cannabis growers will have access to Ascent's knowledge, intellectual property and other resources in exchange for Agrima becoming the exclusive aggregator and distributor of their high-quality and diverse cannabis offerings. Ascent believes the craft program will be well received in the marketplace due to the diverse offering of high quality cannabis flower, edibles, and concentrates becoming available to users.

United States Operations

Ascent operates licensed facilities in two U.S. states with legal cannabis programs, Oregon and Nevada, through its wholly-owned subsidiaries Luff Enterprises LLC dba Sweet Cannabis ("**Sweet Oregon**") and Luff Enterprises NV Inc. dba Sweet Cannabis NV ("**Sweet Nevada**").

Sweet Oregon is a state-licensed Processor and Wholesaler of medical and adult-use cannabis under the OLCC in the State of Oregon. These licenses allow Sweet Oregon to buy cannabis from the large number of cultivators in Oregon to process and package Ascent's branded products for sale across the State. Sweet Oregon's operations are based out of the newly renovated, custom-designed 7,000 square foot Oregon Facility in Portland, Oregon. Sweet Oregon currently manufactures merchandisable cannabis products such as vape pens, pre-rolls, tinctures, gel caps, shatter, sugar wax, CBD sap, chocolates and taffies and distributes them along with bulk cannabis flower to retailers across the State of Oregon.

Sweet Nevada is a licensed cultivation and processing facility for medical and adult use cannabis in the State of Nevada. These licenses allow Sweet Nevada to grow, buy, process, manufacture, and package cannabis and cannabis products for sale in cannabis retail stores across Nevada. Sweet Nevada's operations are based out of the custom-designed 37,500 square foot Nevada Facility in Las Vegas, Nevada.

USA Facilities

Oregon Facility

In March 2017, Ascent completed a significant upgrade and build-out of an existing 7,000 square foot laboratory and warehouse located in Portland, Oregon which is the Oregon Facility. The Oregon Facility is licensed for extraction and distribution and includes a secured vault, manufacturing and packaging space, as well as a fully equipped production lab capable of performing a variety of extraction, formulation, isolation and analytical techniques. A commercial kitchen is also part of the Oregon Facility, and allows for the manufacturing of chocolates, taffy and other edibles authorized under Oregon's medical and recreational cannabis programs.

Nevada Facility

In May 2017, Ascent acquired a 37,500 square foot warehouse in Las Vegas, Nevada which is the Nevada Facility. In conjunction with this acquisition, Ascent also acquired two (2) medical cannabis licenses connected to the Nevada Facility. Immediately upon acquisition of the Nevada Facility, a Phase One build-out of an initial 2,500 square feet, which includes cultivation and production space, including a commercial kitchen. Phase One was completed at the end of 2017, and shortly thereafter, a license from the State of Nevada was obtained for the Nevada Facility. Currently, building plans are being reviewed for Phase Two of construction for the remaining 35,000 square feet, which will include over 17,000 feet of indoor cultivation, state-of-the-art lab and production and distribution space.

Products

Ascent is focused on developing, branding, producing and distributing sophisticated cannabis products in legal medical and adult-use jurisdictions, with current operations in British Columbia, Oregon and Nevada. Through its wholly-owned subsidiaries, Ascent owns cannabis licenses in Canada, Oregon and Nevada and has a minority ownership interest in a hemp cultivation and manufacturing operation with R&D licenses in Kentucky.

Ascent offers a product suite of more than 40 unique products under several consumer focused brands, including gel capsules, oils, tinctures, vaporizer pens, pre-rolled joints, various edibles, concentrates and dried cannabis 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.

Canadian Cannabis Legislation

Cannabis production, distribution, sale, and use is illegal in Canada except where specifically permitted by law. Until October 17, 2018, when the federal Cannabis Act and accompanying provincial legislation come into force, cannabis has only been legally available for medical use under federal regulation (first the Cannabis for Medical Purposes Regulations (the “**MMPR**”), and then the ACMPR by licensed producers and authorized individuals. On October 17, 2018, cannabis will be legal for adult recreational use, in addition to medical use as permitted under federal law.

Medical Cannabis - Summary of the ACMPR

The ACMPR replaced the MMPR as the governing regulations in respect of the production, sale and distribution of medical cannabis and related oil extracts in 2016. The replacement regulations were implemented as a result of the ruling by the Federal Court of Canada in the case of *Allard v Canada* which found the MMPR unconstitutional as it violated the plaintiffs’ rights under Section 7 of the Canadian Charter of Rights and Freedoms due to the restrictions placed on a patient’s ability to reasonably access medical cannabis.

The ACMPR effectively combines the regulations and requirements of the MMPR, the Marihuana Medical Access Regulations and the section 56 exemptions relating to cannabis oil under the Controlled Drugs and Substance Act (the “**CDSA**”) into one set of regulations. In addition, among other things, the ACMPR sets out the process patients are required to follow to obtain authorization from Health Canada to grow cannabis and to acquire seeds or plants from Licensed Producers to grow their own cannabis. Under the ACMPR, patients have three options for obtaining cannabis for medical purposes:

- a. they can continue to access quality-controlled cannabis by registering with Licensed Producers;
- b. they can register with Health Canada to produce a limited amount of cannabis for their own medical purposes; or
- c. they can designate someone else to produce it for them.

With respect to (b) and (c), starting materials, such as cannabis plants or seeds, must be obtained from Licensed Producers. It is possible that (b) and (c) could significantly reduce the addressable market for the Company’s products and could materially and adversely affect the business, financial condition and results of operations of the Company. That said, management of the Company believes that many patients may be deterred from opting to proceed with options (b) or (c) since such steps require applying for and obtaining registration from Health Canada to grow cannabis, as well as the up-front costs of obtaining equipment and materials to produce such cannabis.

Adult Use Cannabis

The Company intends to participate in the Canadian adult use market for cannabis in compliance with all applicable federal and provincial laws and regulations concerning the Canadian adult use cannabis market.

Adult Recreational Cannabis - Federal Regulatory Framework

On December 13, 2016, the Task Force on Cannabis Legalization and Regulation (the “**Task Force**”), which was established by the Canadian Federal Government to seek input on the design of a new system to legalize, strictly regulate and restrict access to cannabis, completed its review and published its report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, An Act respecting cannabis and to amend the *Controlled Drugs and Substances Act*, the *Criminal Code* and Other Acts (the “**Cannabis Act**”), to regulate the production, distribution and sale of cannabis for unqualified adult use. On June 21, 2018, The *Cannabis Act* received Royal Assent on June 21, 2018 and is expected to come into force on October 17, 2018.

The *Cannabis Act* and its Regulations (described below) provide a licensing and permitting scheme for the production, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, sale, possession

and disposal of cannabis for non-medicinal use (i.e., adult recreational use). The *Cannabis Act* proposes to maintain separate access to cannabis for medical purposes, including providing that import and export licenses and permits will only be issued in respect of cannabis for medical or scientific purposes or in respect of industrial hemp. Transitional provisions of the *Cannabis Act* provide that every license issued under section 35 of the ACMPR that is in force immediately before the day on which the *Cannabis Act* comes into force is deemed to be a licence issued under the *Cannabis Act*, and that such licence will continue in force until it is revoked or expires.

On October 5, 2017, the Parliamentary Standing Committee on Health presented proposed amendments to the *Cannabis Act* including, among other things, an amendment that would permit cannabis edibles and concentrates to be sold, to come into force no later than 12 months after the *Cannabis Act* comes into force.

On November 10, 2017, the Government of Canada proposed that combined federal tax on cannabis flowering material contained in a final packaged product for adult use purposes should not exceed \$1 per gram or 10% of the sale price, whichever is higher, with retail sales taxes levied on top of that amount.

While the *Cannabis Act* provides for the regulation of the commercial production of cannabis for adult use purposes and related matters by the Federal Government, the *Cannabis Act* proposes that the provinces and territories of Canada will have authority to regulate other aspects of adult use cannabis (similar to what is currently the case for liquor and tobacco products), such as sale and distribution, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

On July 11, 2018, the Federal Government published regulations in the Canada Gazette, Part II, to support the coming into force of the *Cannabis Act*, including the Cannabis Regulations (“**Cannabis Regulations**”), the new Industrial Hemp Regulations (“**IHR**”, and together with the Cannabis Regulations, collectively, the “**Regulations**”), along with proposed amendments to the Narcotic Control Regulations and certain regulations under the *Food and Drugs Act*. Recognizing the Federal Government’s commitment to bringing the *Cannabis Act* into force, the Regulations, among other things, outline the rules for the legal cultivation, processing, research, testing, distribution, sale, importation and exportation of cannabis and hemp in Canada, including the various classes of licenses that can be granted, and set standards for cannabis and hemp products that will be available for legal sale as of October 17, 2018.

On October 17, 2018, cannabis will no longer be regulated under the CDSA and will be regulated under the Cannabis Act and the Cannabis Regulations and the current Industrial Hemp Regulations will no longer be in force on October 17, 2018 and will be supplanted by the Cannabis Act and the IHR.

United States Cannabis Legislation

On February 8, 2018, following the Sessions Memorandum, the Canadian Securities Administrators published CSA Staff Notice 51-352 (Revised) – Issuers with U.S. Cannabis-Related Activities (the “**Staff Notice**”) which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the U.S. as permitted within a particular state's regulatory framework. All issuers with U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

Enforcement of U.S. Federal Laws

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the ACMPR, in the United States, cannabis is largely regulated at the state level. To the Company’s knowledge, there are to date a total of 29 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the Controlled Substances Act and as such, violates federal law in the United States.

As a result of the conflicting views between state legislatures and the United States federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney

General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all United States federal prosecutors acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several U.S. states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority. While not legally binding, the Cole Memorandum served as prosecutorial guidance and laid out a framework for addressing the inconsistency between state and federal laws regarding cannabis.

However, on January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum (the "**Sessions Memorandum**") rescinding the Cole Memorandum. With the rescission of the Cole Memorandum, U.S. federal prosecutors no longer have guidance relating to the exercise of their discretion in determining whether to prosecute cannabis-related violations of U.S. federal law. As such, such discretion remains solely in the hands of U.S. federal prosecutors. It is possible for these prosecutors to continue exercising their discretion in a manner similar to that displayed when guided by the Cole Memorandum. Many U.S. federal prosecutors have affirmed their commitment to proceeding in this manner, or otherwise affirming that their view of federal enforcement priorities has not changed, while a few have displayed greater ambivalence. The US Attorney for Oregon recently announced that his federal prosecutors' office will focus on black-market and illegal cannabis production within Oregon, signaling a willingness to respect state laws and effectively supporting the legal cannabis market by eliminating illegal competition.

Unless and until cannabis is removed from categorization as a Schedule I controlled substance under the Controlled Substances Act, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law, albeit a federal agency may not have appropriated funds to undertake such prosecution as is delineated below. Such potential proceedings could involve significant restrictions being imposed upon the Company or third parties, and also divert the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company.

For the reasons set forth above, the Company's operations in the United States, and any expansion of operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.

U.S. Enforcement Proceedings

The United States Congress has passed appropriations bills each of the last four years that included the Rohrabacher Blumenauer Appropriations Amendment which by its terms does not appropriate any federal funds to the U.S. Department of Justice for the prosecution of medical cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business—even those that have fully complied with state law—could be prosecuted for violations of federal law. If Congress restores funding, the United States government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations.

State Regulatory Regime – Oregon

Oregon has legalized both medical and adult-use cannabis. Medical cannabis was first legalized for non-commercial uses in 1998. House Bill 3460 creating a regulatory structure for medical cannabis businesses was passed in 2013, and House Bill 3400 was passed on June 30, 2015, improving the existing regulatory structure and creating a licensing process for cultivators and processors. The regime does not impose a quota on the number of licenses that may be issued, and allows applications to be accepted on a rolling basis. An Oregon residency requirement for medical cannabis business ownership that originally existed within House Bill 3400 was removed in

2016. In November 2014, Oregon voters passed Measure 91, creating a regulatory regime for the purchase of cannabis for personal use for individuals 21 years of age and older.

Regulation of medical cannabis in Oregon was originally administered by the Oregon Health Authority under the Oregon Medical Marijuana Program (the "**OMMP**"), while regulation of adult-use cannabis fell under the purview of the Oregon Liquor Control Commission (the "**OLCC**"). However, in mid-2017, the Oregon legislature granted the OLCC the authority to grant exclusively medical licenses, and required medical cannabis growers, processors and dispensaries to make an election by December 2017 as to whether they would choose to stay under the purview of the OMMP or move to an OLCC license. As of August 7, 2018, seven (7) medical cannabis dispensaries remain registered under the OMMP.

State Regulatory Regime – Nevada

In Nevada, both medical cannabis and retail cannabis programs are administered by the Nevada State Department of Taxation (the "**Nevada DoT**"). Since 2015, medical cannabis establishments have been able to register for medical cannabis establishment certificates in the state. An early start program was established by the Nevada DoT for retail cannabis licenses in the second half of 2017, and only operational medical cannabis establishment certificate holders in good standing were able to apply for retail cannabis licenses. The regular retail cannabis program is expected to start in early 2018, and for the first 18 months of the program, only existing medical cannabis establishment certificate holders in good standing may apply for retail cannabis licenses. The Nevada DoT has stated that it may open up the application process for retail cannabis licenses to those not holding a medical cannabis establishment certificate in November 2018.

Danish Cannabis Legislation

As of January 1, 2018, the Danish government initiated a trial permitting doctors to prescribe medical cannabis to a defined patient group. The trial will continue for the next four years and is supported by federal funding. The Danish Medicines Agency issues authorizations to import "primary" (starter) cannabis products and to cultivate and produce approved forms of medical cannabis for wholesale distribution within Denmark. All medical cannabis production facilities and products are subject to inspection by the Danish Medicines Agency.

USE OF PROCEEDS

Information regarding the use of the net proceeds from each offering of the Securities will be set forth in the Prospectus Supplement relating to the offering of the Securities. This information will include the net proceeds to the Company from the sale of the Securities, the proposed use of those proceeds and the specific business objectives that the Company expects to accomplish with such proceeds. The net proceeds from the sale of the Securities may be used to fund the Company's operations, to complete corporate acquisitions, to financing future growth opportunities, to repay existing or future indebtedness or for other corporate purposes as set forth in the Prospectus Supplement relating to the offering of the Securities.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of our general funds, unless otherwise stated in the applicable Prospectus Supplement.

CONSOLIDATED CAPITALIZATION

Ascent's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares in the capital of Ascent. As of the date of this Prospectus, there are (i) 318,044,746 Ascent common shares issued and outstanding, (ii) no Ascent preferred shares issued and outstanding, (iii) 94,907,420 Ascent warrants convertible into an equivalent number of Ascent common shares, (v) 1,658,950 broker warrants exercisable for 1,658,950 Ascent common shares and 1,658,950 warrants of Ascent convertible into an equivalent number of Ascent common shares; (vi) 18,287,222 Ascent stock options issued that are convertible into an equivalent number of Ascent common shares (including 104,722 Paget options assumed upon the

Amalgamation); (viii) 11,428,571 Ascent common shares are issuable upon conversion of the convertible debenture issued by the Company; and (ix) approximately 2,983,333 Ascent common shares are to be issued for purchased assets and for performance based milestones under existing contracts.

Common Shares

Holders of Ascent common shares are entitled to dividends if, as and when declared by the Ascent Board of Directors. Holders of Ascent common shares are entitled to one vote per Ascent common share at meetings of shareholders except on matters or meetings where only holders of a specified class of shares are entitled to vote. Upon liquidation, dissolution or winding-up of Ascent, holders of Ascent common shares are to share rateably in the remaining assets of Ascent as are distributable to holders of Ascent common shares. Ascent common shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Preferred Shares

Preferred shares may be issued from time to time in one or more series. The Company's Board is authorized to fix the number of preferred shares of each series, and to determine for each series, the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, conversion rights and other matters. Among other things, each series of preferred shares, upon determination by the Board, may or may not carry voting rights and may or may not be convertible into another class or series of shares of the preferred shares.

So long as any preferred shares are outstanding, the holders of the preferred shares of each series shall rank both with regard to dividends and return of capital in priority to the holders of the common shares and in priority to any other shares ranking junior to the preferred shares, and the holders of the preferred shares of each series may also be given such other preference over the holders of the common shares and any other shares ranking junior to the holders of the preferred shares as may be determined as to the respective series authorized to be issued. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in payment of dividends and return of capital in the event of any distribution of assets of Ascent among its shareholders arising on the liquidation, dissolution or winding up of Ascent.

Warrants

Each warrant entitles the holder to acquire one (1) common share on due exercise of the warrant in accordance with its terms.

Stock Options

Each stock option entitles the holder to acquire one (1) common share on due exercise of the stock option in accordance with its terms. The stock options are issued pursuant to the Company's Employee Stock Option Plan, a copy of which is included in the Joint Circular.

Convertible Debenture

The Ascent convertible debenture entitles the holder thereof to convert the convertible debenture in whole or in part into common shares of Ascent at a price of \$0.35 per share at its option any time prior to December 1, 2019, except that the Company may force the conversion of the convertible debenture in certain circumstances.

Broker Warrants

Each broker warrant entitles the holder to acquire one unit at an exercise price of \$0.40 per share at any time on or prior to June 21, 2020. Each such unit consists of one (1) common share and one (1) warrant to purchase a common share at a price of \$0.60 at any time on or prior to June 21, 2020.

PRIOR SALES

The following table sets out details of all common shares and securities convertible into common shares issued by Ascent during the 12 months prior to the date of this Prospectus.

<u>Date of Issuance</u>	<u>Number and Type of Securities</u>	<u>Reason for Issuance</u>
December 20, 2017	26,388,609 Ascent Shares	\$0.40
January 4, 2018	1,996,505 Ascent Shares	\$0.25
January 31, 2018	400,000 Ascent Shares issued upon the exercise of warrants	\$0.135
January 31, 2018	183,333 Ascent Shares issued upon the exercise of warrants	\$0.25
January 31, 2018	40,000 Ascent Shares	\$0.25
February 5, 2018 to August 3, 2018	15,252,500 Ascent Stock Options granted	\$0.40
February 7, 2018	433,334 Ascent Shares issued upon the exercise of warrants	\$0.25
April 30, 2018	8,345,769 Ascent Shares issued upon the exercise of warrants	\$0.40
May 7, 2018	804,188 Ascent Shares	\$0.40
May 8, 2018	215,822 Ascent Shares	\$0.40
June 5, 2018	3,666,667 Ascent Shares issued upon the exercise of warrants	\$0.25
June 8, 2018	30,591,135 Ascent Shares	\$0.40
	30,591,135 Ascent Series D Warrants	Exercisable for \$0.50 at any time on or prior to June 8, 2020
June 21, 2018	48,085,500 Ascent Shares (issued August 3, 2018 upon satisfaction of the Escrow Release Conditions)	\$0.40
	48,085,500 Ascent Subscription Receipt Warrants	Exercisable for \$0.60 at any time on or prior to June 21, 2020
	2,885,130 Broker Warrants	Exercisable for \$0.40 at any time on or prior to June 21, 2020

The foregoing table does not include securities issued by the amalgamated company to the security holders of Ascent and Paget pursuant to the Amalgamation on August 9, 2018. Upon the completion of the Amalgamation, there were a total of 314,574,566 common shares of the Company issued and outstanding on a non-diluted basis, and a total of 462,762,161 common shares of the Company outstanding on a fully diluted basis. In addition (i) on August 20, 2018, the Company issued 2,930,000 stock options exercisable at a price of \$0.40 per share (ii) between September 26, 2018 and October 5, 2018, the Company issued 2,244,000 common shares upon the exercise of warrants and (iii) on October 1, 2018, the Company issued an aggregate of 1,226,180 common shares and 1,226,180 warrants to acquire an equivalent number of common shares upon exercise of Broker Warrants.

TRADING PRICE AND VOLUME

The Company's Common Shares are listed and commenced trading on the CSE on August 10, 2018 under the trading symbol "ASNT". The following tables set forth information relating to the trading of the common shares on the CSE for the months indicated.

Month	CSE Price Range		Total Volume
	High (\$)	Low (\$)	
August 9 - 31, 2018	0.57	0.37	17,312,422
September 2018	0.98	0.47	47,904,582
October 1 – 11, 2018	0.76	0.66	5,654,116

Prior to the Amalgamation, starting November 14, 2017, Paget's common shares traded on the NEX under the trading symbol "PGS". Prior to this the common shares of Paget traded on the TSXV. In anticipation of the Amalgamation, trading of the Common Shares was halted on March 22, 2018. The following tables set forth information relating to the trading of the common shares of Paget on the NEX and TSXV for the months indicated.

Month	NEX and TSXV Price Range		Total Volume
	High (\$)	Low (\$)	
September 2017	0.055	0.050	554,600
October 2017	0.050	0.050	3,300
November 2017	0.050	0.030	154,200
December 2017	0.035	0.030	155,700
January 2018	0.060	0.040	50,500
February 2018	0.035	0.030	31,700
March 1 – 22, 2018	0.030	0.030	2,000

PLAN OF DISTRIBUTION

The Company may sell the Securities to or through underwriters or dealers, and also may sell Securities to one or more other purchasers directly or through agents, including sales pursuant to ordinary brokerage transactions and transactions in which a broker-dealer solicits purchasers. Underwriters may sell Securities to or through dealers. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters, dealers or agents and any fees or compensation payable to them in connection with the offering and sale of a particular series or issue of Securities, the public offering price or prices of the Securities and the proceeds to the Company from the sale of the Securities.

The applicable Prospectus Supplement will state the terms of its corresponding offering, including the name or names of any underwriters, dealers or agents, the initial offering price (in the event that the offering is a fixed price distribution), the manner of determining the initial offering price(s) (in the event the offering is made at prices which may be changed at market prices prevailing at the time of the sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in Regulation 44-102 - *Shelf Distributions* ("NI 44-102"), including sales made directly on the CSE), the proceeds to the Company from the sale of the Securities, any underwriting discount or commission and any discounts, concessions or commissions allowed or reallocated or paid by any underwriter to other underwriters, dealers or agents. Any initial offering price and discounts, concessions or commissions allowed or reallocated or paid to dealers may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under the securities legislation, or to contribution with respect to payments which such

underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

The Company and, if applicable, the dealers, underwriters or agents reserve the right to reject any offer to purchase any Securities offered, in whole or in part. The Company also reserves the right to withdraw, cancel or modify the offering of any Securities under this Prospectus and any Prospectus Supplement without notice.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales made directly on the CSE or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution.

In connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The dealers, underwriters or agents, if applicable, may from time to time purchase and sell the Securities in the secondary market but are not obliged to do so. The Company’s outstanding Common Shares are listed and posted for trading on the CSE under the symbol “ASNT”. Unless otherwise indicated in a Prospectus Supplement or pricing supplement, there is no market through which Debt Securities, Subscription Receipts, Warrants and Units may be resold and purchasers may not be able to resell the Securities purchased under this Prospectus. The offering price and other selling terms for any sales in the secondary market may, from time to time, be varied by the dealers, underwriters or agents.

The Securities have not been, and will not be, registered under the 1933 Act or the securities laws of any states in the United States and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of in the United States or to U.S. Persons absent registration or pursuant to an applicable exemption from the 1933 Act and applicable state securities laws. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the 1933 Act if such offer or sale is made other than in accordance with an exemption under the 1933 Act.

DESCRIPTION OF SECURITIES

Common Shares

The holders of Common Shares are entitled to receive notice of any meeting of the shareholders of the Company and to attend and vote thereat, except those meetings at which only the holders shares of another class or of a particular series are entitled to vote. Each Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as the board of directors may declare out of funds legally available therefor. In the event of the dissolution, liquidation, winding-up or other distribution of our assets, such holders are entitled to receive on a pro-rata basis all of assets of the Company remaining after payment of all of liabilities. The Common Shares carry no pre-emptive or conversion rights.

Warrants

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares. The Company will not offer Warrants for sale unless the applicable Prospectus Supplement containing the specific terms of the Warrants to be offered separately is first approved, in accordance with applicable laws, for filing by the securities commissions or similar regulatory authorities in each of the jurisdictions where the Warrants will be offered for.

Subject to the foregoing, the Company may issue Warrants independently or together with other securities, and Warrants sold with other securities may be attached to or separate from the other securities. Warrants may be issued directly by the Company to the purchasers thereof or under one or more warrant indentures or warrant agency agreements to be entered into by us and one or more banks, transfer agents or trust companies acting as warrant agent. Warrants, like other Securities that may be sold, may be listed on a securities exchange subject to exchange listing requirements and applicable legal requirements.

This summary of some of the provisions of the Warrants is not complete. Any statements made in the Prospectus relating to any warrant agreement and Warrants to be issued under the Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. Investors should refer to the warrant indenture or warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering of Warrants will be filed by the Company with the applicable securities regulatory authorities in Canada following its execution.

The particular terms of each issue of the Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each Warrant;
- the designation and terms of any securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each security;
- the date or dates, if any, on or after which the Warrants and the related securities will be transferable separately;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- material Canadian federal income tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

Subscription Receipts

This section describes the general terms that will apply to any Subscription Receipts that may be offered by the Company pursuant to the Prospectus. Subscription Receipts may be offered separately or together with Common Shares or Warrants, as the case may be. The Subscription Receipts will be issued under a Subscription Receipt agreement.

In the event the Company issues Subscription Receipts, the Company will provide the original purchasers of Subscription Receipts a contractual right of rescission exercisable following the issuance of Common Shares to such purchasers.

The applicable Prospectus Supplement will include details of the Subscription Receipt agreement covering the Subscription Receipts being offered. A copy of the Subscription Receipt agreement relating to an offering of Subscription Receipts will be filed by the Company with the applicable securities regulatory authorities after it has been entered into. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the procedures for the exchange of the Subscription Receipts into Common Shares or Warrants;
- the number of Common Shares or Warrants that may be exchanged upon exercise of each Subscription Receipt;
- the designation and terms of any other securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Description of Debt Securities

This section describes the general terms and provisions that will apply to any Debt Securities that may be offered by the Company pursuant to the Prospectus. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities may be issued in series under one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Company. Any Prospectus Supplement for Debt

Securities will contain the terms and other information with respect to the Debt Securities being offered, including (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities, (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued, (iv) the date or dates on which such Debt Securities will mature, (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any), (vi) the dates on which any such interest will be payable and the record dates for such payments, (vii) any redemption term or terms under which such Debt Securities may be defeased, (viii) any exchange or conversion terms, and (ix) any other specific terms. Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary. The Debt Securities will be direct obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the relevant Prospectus Supplement

Units

The Company may issue Units comprised of one or more of the other Securities described in the Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each of the Securities included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Units.

RISK FACTORS

In addition to the risk factors set forth herein, additional risk factors relating to the Company's business are discussed in the Circular and the AIF, which risk factors are incorporated herein by reference.

An investment in the Securities offered hereby involves certain risks. Before investing, purchasers of Securities should carefully consider the information contained in this Prospectus as well as the other information contained in and incorporated by reference in this Prospectus and in the applicable Prospectus Supplement before purchasing the Securities offered hereby. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations or cash flows, or your investment in the Securities could be materially adversely affected.

Partial Suspension of Health Canada Licences

On September 26, 2018, Ascent received Notices of Suspension from Health Canada partially suspending Agrima's Licence to Produce issued under the ACMPR and its Dealer's Licence issued under the NCR for not meeting all of its record keeping and other compliance requirements during an annual inspection at the Agrima facility conducted between August 28, 2018 and August 30, 2018. On September 27, 2018, Ascent formally appealed the partial suspension of the licences with Health Canada and immediately took a number of actions to address the concerns of Health Canada, including enhancing Agrima's Quality Assurance & Regulatory Compliance team with the addition of three experienced staff, headed by an individual with extensive Quality Assurance and Quality Control experience in Pharmaceutical and other highly regulated industries.

Ascent is in contact with Health Canada regarding the full reinstatement of the licences issued to Agrima. Health Canada has indicated it is currently reviewing Ascent's submissions to it in connection with the reinstatement of the licences and will respond in due course. Ascent believes it has taken the steps necessary to address the concerns of Health Canada in connection with reinstating the licences. However, there can be no assurance that the licences will be reinstated by Health Canada in full or at all. Furthermore, there can be no assurance that any of the licences issued by Health Canada or other regulatory authorities to Ascent or any of its subsidiaries for its operations will not be suspended or revoked in the future. The suspension, partial suspension or revocation of any licences issued to Ascent or its subsidiaries that are required for its operations may have a materially adverse effect on the

business, financial condition, results of operations and cash flows of Ascent and its subsidiaries, and investors could lose their entire investment.

No Market for the Securities

There is currently no trading market for any Debt Securities, Subscription Receipts, Warrants or Units that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Company, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

Use of Proceeds

While information regarding the use of proceeds from the sale the Securities will be described in the applicable Prospectus Supplement, the Company will have broad discretion over the use of the net proceeds from an offering of Securities. Because of the number and variability of factors that will determine the use of such proceeds, the Company's ultimate use might vary substantially from its planned use. Purchasers of Securities may not agree with how the Company allocates or spends the proceeds from an offering of Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of our securities, including the market value of the Common Shares, and that may increase our losses.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences generally applicable to investors described therein of acquiring Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax consideration.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement relating to an offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on behalf of the Company by McMillan LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of the Company is National Issuer Services Ltd. at its principal office in Vancouver, British Columbia.

INTEREST OF EXPERTS

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- McMillan LLP, as the Company's counsel with respect to legal matters;
- MNP LLP, Chartered Professional Accountants, as the external auditor of the Company who reported on the Company's audited financial statements for the years ended May 31, 2018 and 2017, as filed on SEDAR and incorporated into this Prospectus by reference.

With respect to each of the aforementioned firms or persons other than MNP LLP, to our knowledge, each of such firms or persons holds less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports. None of the such firms or persons received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports. Based on information provided by the relevant persons, none of the such firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Our auditors, MNP LLP, are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Company will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Company are further cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable Securities are offered to the public under the offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the convertible, exchangeable or exercisable securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: October 12, 2018

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

(Signed) *Philip Campbell*
Chief Executive Officer

(Signed) *Blair Jordan*
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) *Reid Parr*
Reid Parr
Director

(Signed) *James Poelzer*
James Poelzer
Director