

## ASCENT INDUSTRIES CORP.

4170 Still Creek Drive, Burnaby,  
British Columbia, V5C 6C6

### INFORMATION CIRCULAR

(as at May 27, 2019 except as otherwise indicated)

### SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of Ascent Industries Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the special meeting of the shareholders of the Company to be held on June 25, 2019 (the “**Meeting**”), at the time and place set out in the accompanying amended notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

### APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to National Securities Administrators Ltd. (the “**NSA**”) by 10:00 a.m. (Vancouver, British Columbia Time) on Friday, June 21, 2019, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to NSA, or by transmitting a revocation by telephonic or electronic means, to NSA, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### Provisions Relating to Voting of Proxies

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company**

**(the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

#### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Amended Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their

NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from NSA. Please complete and return the VIF to NSA in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. NSA will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver, British Columbia Time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, NSA, unless specifically stated otherwise.

### QUORUM

The articles of the Company provide that a quorum of shareholders is present at a meeting of shareholders of the Company if at least two persons are present, holding or representing by proxy in the aggregate not less than 25% of the shares entitled to be voted at the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") of which 320,151,457 Common Shares are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote.

Shareholders registered as at May 1, 2019 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding Common Shares of the Company:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of Issued Capital</b>
Drew Malcolm	166,942,242	52.14%

Drew Malcolm is the beneficial owner of 24,104,086 Common Shares. Mr. Malcolm announced, through Press Releases made February 4, 2019 and March 8, 2019, that he had acquired control or direction over a total of 145,838,156 Common Shares via a series of voting trust agreements (each a "**VTA**") with members of a group of concerned shareholders (the "**Concerned Shareholders**"). To the best of the Company's knowledge, each of the VTAs described in the Press Releases of February 4, 2019 and March 8, 2019 remain effective.

Of those Concerned Shareholders, whose Common Shares remain subject to VTAs, one shareholder beneficially owns over 10% of the issued and outstanding Common Shares of the Company, as follows:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of Issued Capital</b>
Donald Campbell	60,890,060	19.02 %

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

## History

Upon the Company's formation, by amalgamation, on August 9, 2018, each of James Francis Poelzer, Amy Margolis, Perry Kendall, Mark T. Brown, Philip Andrew Campbell, and Reid Ashley Parr (the "**Original Board**") were appointed directors of the Company. On November 22, 2018, following the suspension the cannabis licenses of the Ascent's subsidiary, Agrima Botanicals Corporation, each of Philip Campbell, Reid Parr and James Poelzer resigned as directors.

Perry Kendall resigned as a director on November 28, 2018 and Blair Jordan was appointed as a director, by the Board, on the same date. Amy Margolis resigned as a director on December 12, 2018 and Karim Lalani was appointed as a director, by the Board, on the same date. Mark Brown, then the last remaining member of the Original Board resigned as a director on February 14, 2019. The Board appointed Mr. Daniel Lanskey as a director on April 11, 2019.

On April 26, 2019, following negotiations with a group of concerned shareholders, represented by Drew Malcolm, the Board appointed each of Paul Dillman, Mark Lotz and David Hurford as directors and each of Blair Jordan, Karim Lalani and Daniel Lanskey resigned on the same date.

## Advance Notice Provisions

Pursuant to Part 10.10 of the Company's Articles, any additional director nominations for a special meeting must be received by the Company not later than the close of business on the 15<sup>th</sup> date following the Notice of the Meeting. The original Notice of the Meeting was filed on SEDAR on April 5, 2019. As no nominations were received by April 20, 2019 (the "**Nomination Deadline**"), being the date, which is 15 days subsequent to the Notice of Meeting, Management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

An Amended Notice of Meeting was filed on SEDAR on April 11, 2019 and a further Amended Notice of Meeting was filed on May 27, 2019. The filing of the Amended Notices of Meeting does not extend or otherwise affect the Nomination Deadline.

Name, province or state and country of residence and position, if any, held in the Company	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years	Served as director of the Company since	Number of Common Shares Beneficially Owned or Controlled or Directed (Directly or Indirectly)
Paul Dillman  British Columbia, Canada	<b>Present:</b> Consultant, Independent Contractor  <b>Past:</b> Executive VP of marketing, sales & operations at Emerald Health Therapeutics (2018); President, Resilient Management (2017); VP Sales & Marketing, Premium Labs (2016-17); Board Member, MediaCity (2009-19); Marketing & Sales Asia Pacific, Coca Cola Company (2006-2008), Global Marketing (AB InBev 2004-06), Area Director SE Asia, Philip Morris (1997-2004), GM & Marketing, Kraft Foods (1986-1997)	April 26, 2019	Nil

Mark Lotz British Columbia, Canada	<b>Present:</b> Consultant, Lotz CPA Inc., 2010-present, Vodis Pharmaceuticals Inc. Director (2016- present)	April 26, 2019	Nil
	<b>Past:</b> Director Canada Jetlines (2014-2018), CFO TrackX (2016-17), Director Commander Resources (2012-2016), CEO Gateway Securities (2008-2010) , CFO Gateway Securities (2001-2008)		
David Hurford British Columbia, Canada	<b>Present:</b> CEO, Three Links Care Society (December 2016 – present), Special Advisor, Grow Tech Labs (November 2018 – Present)	April 26, 2019	Nil
	<b>Past:</b> Executive Director, Safe Care BC (September 2015 – December 2016), Executive Director for the office of the President, UBC (July 2014 – August 2015), Director of Communications, Community Living BC (September 2012 – July 2014), Board of Directors, Safe Care BC (2017 – Present), Board of Directors, BC Care Providers Association (2017 – present)		
Jeremy South British Columbia, Canada	<b>Present:</b> Senior Vice President and Chief Financial Officer, Steppe Gold Ltd. (July 2018 – present); Senior Vice President and Chief Financial Officer, Five Star Diamonds Limited (March 2018 – present); Director, Cinnaroll Bakeries Limited (August 2017 – present);	Nominee	Nil
	<b>Past:</b> Chairman and Director, Aldridge Minerals Inc. (January 2018 – December 2018); Director, Steppe Gold Ltd. (March 2017 – July 2018); Senior Partner, M&A, Deloitte LLP (February 2006 – December 2016);		
Mahony Cai British Columbia, Canada	<b>Present:</b> Controller, Quintet Ventures Inc.	Nominee	252,500 Common Shares 116,667 Warrants
	<b>Past:</b> Director, Kaiser America Inc. Chartered Professional Accountant; Certified General Accountant; Controller, Empower Technologies (2014-15)		

### Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that

denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, no director, executive officer or proposed Nominee for election as our director or any of their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors..

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

## **MANAGEMENT CONTRACTS**

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or named executive officers of the Company.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

### Board of Directors

Management is nominating five individuals to the Board, three of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. One of the current members of the Board is considered “independent” within the meaning of NI 52-110. If all five nominees are elected, three members of the Board will be considered “independent”.

The Company holds regular meetings to approve quarterly and annual financial statements, Management and Discussion Analysis and other business at the time. The Company also holds meetings “as needed” in the course of business.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee, and the Compensation Committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The



Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “Act”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

### **Directorships**

The following directors of the Company are also directors of other reporting issuers as stated:

- Mark Lotz is a director of Candente Gold Corp., Golden Lake Resources, Teal Valley Health Inc., Vodis Pharmaceuticals Inc, and Voleo Trading Systems Inc.

### **Ethical Business Conduct**

The Board has adopted a formal written Code of Business Conduct (the “Code”) for its directors, officers and employees. A copy of the Code is available by written request to the Company at 4170 Still Creek Drive, Burnaby, British Columbia, V5C 6C6. In addition, the Board has adopted a Whistleblower Policy that provides employees the ability to contact the Chair of the Audit Committee.

The Board promotes ethical business conduct through the nomination of members it considers ethical, through avoiding and minimizing conflicts of interest and by having Board members that are independent of corporate matters. Where a director has a material interest in a transaction or agreement concerning the Company, the Board takes such steps as may be prudent to isolate and eliminate or reduce the potential for such a conflict of interest to interfere with the Board’s exercise of independent judgement.

In accordance with applicable corporate law, any director who is in a position of conflict must refrain from voting on any resolution of the Board with respect to the conflict. The Board may also require the director to excuse himself or herself from deliberations of the Board.

In addition to the Code and the Whistleblower Policy, the Board has established other policies to encourage and promote a culture of ethical business conduct, including a Disclosure Policy, Insider Trading Policy and Health and Safety Policy.

### **Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with

respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Information about the Company including the Annual Information Form and Financial Statements can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 604 375-4488.

### **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, May 27, 2019

### **ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to read "Paul Dillman", is written over a horizontal line.

*Authorized Signatory*

*Name: Paul Dillman*

*Position: Chief Executive Officer and Director*