

**Form 62-103F1**

*Required Disclosure under the Early Warning Requirements*

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common shares (each, a "Share") in the capital of Ascent Industries Corp. (the "Issuer").

Ascent Industries Corp.  
Suite 260, 22529 Lougheed Highway  
Maple Ridge, British Columbia  
V2X 0T5

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Drew Malcolm ("Malcolm")  
503 – 71 West 2nd Avenue  
Vancouver, British Columbia  
V5Y 0J7

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On February 1, 2019, Terry Booth, Donald Campbell, Hope Rudl, Mark Parr, James Fitzpatrick, Reid Parr, Philip Campbell, James Poelzer, Quintet Ventures Inc. and Lola Ventures Inc. (each, a "Concerned Shareholder") each entered into separate voting trust agreements (each, a "Voting Trust Agreement") with Malcolm. Each Voting Trust Agreement grants Malcolm complete discretion and control in exercising the voting rights related to all Shares that are beneficially owned by each of the Concerned Shareholders.

As a result of the Voting Trust Agreements, Malcolm now exercises control or direction over 140,860,507 Shares.

**2.3 State the names of any joint actors.**

See item 2.2 above.

**Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.**

Malcolm acquired voting control or direction over 116,756,421 Shares (the "**Voting Support Shares**") pursuant to the Voting Trust Agreements (the "**Acquisition**"). Immediately prior to the completion of the Acquisition, Malcolm beneficially owned and controlled 24,104,086 Shares representing approximately 7.66% of the then issued and outstanding Shares.

As a result of the Acquisition, Malcolm beneficially owns or exercises control or direction over 140,860,507 Shares, being approximately 44.78% (46.45% on a partially diluted basis) of the issued and outstanding Shares.

The change in Malcolm's securityholding percentage is 37.12% (38.79% on a partially diluted basis) of the issued and outstanding Shares.

- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

Malcolm acquired control and direction over the voting rights attached to the Voting Support Shares.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See item 3.1 above.

- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

As a result of the Acquisition, Malcolm holds 140,860,507 Shares, which is equal to approximately 44.78% (46.45% on a partially diluted basis) of the issued and outstanding Shares.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Not applicable.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Malcolm acquired control and direction over the voting rights attached to the Voting Support Shares pursuant to the Voting Trust Agreements, whereby Malcolm has been appointed as the voting trustee.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which would relate to or result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting**

**issuer by any person or company;**

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Malcolm acquired voting control over the Voting Support Shares to more effectively exercise the rights of the Concerned Shareholders and to obtain more fulsome disclosure regarding the Issuer's future business plans. Malcolm may: (i) requisition a meeting of shareholders of the Issuer to remove and replace the current board of directors of the Issuer; (ii) propose alternate directors for election at the next annual general meeting of shareholders of the Issuer (the "AGM"); (iii) solicit proxies from shareholders of the Issuer; and/or (iv) provide a dissident proxy circular in connection with the next AGM.

Malcolm and each of the Concerned Shareholders hold the Shares for investment purposes and will review their holdings from time to time and may, in the future, increase or decrease their ownership or control over securities of the Issuer as circumstances dictate, and in accordance with the terms of the Voting Trust Agreements.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings**

**With Respect to Securities of the Reporting Issuer, describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Each Concerned Shareholder entered into a separate Voting Trust Agreement with Malcolm, whereby Malcolm has been appointed as the voting trustee and granted complete discretion and control over the voting rights related to all Shares beneficially owned by the Concerned Shareholders for an initial term of six months, with the ability to renew the Voting Trust Agreement for additional terms of six months. Each Concerned Shareholder has granted Malcolm a power of attorney in relation to the voting of their Shares to enable Malcolm to more effectively carry out the Voting Trust Agreement. During the term of the Voting Trust

Agreements, each of the Concerned Shareholders shall not sell, transfer or encumber their respective Shares without the prior consent of Malcolm.

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

**Certificate**

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated February 5, 2019

*"Drew Malcolm"*  
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DREW MALCOLM