LEVIATHAN CANNABIS GROUP INC.
(Formerly Morgan Resources Corp.)
MANAGEMENT DISCUSSION & ANALYSIS
PERIOD ENDED FEBRRUARY 28, 2018

Reference is made in this Management Discussion & Analysis (the "MD&A") to Leviathan Cannabis Group Inc.'s (formerly Morgan Resources Corp.) (the "Company") financial statement disclosure for the relevant period which is attached the MD&A. All amounts discussed herein are denominated in Canadian dollars.

FORWARD LOOKING STATEMENTS

Certain information regarding the Company contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond the Company's control, and that future events and results may vary substantially from what the Company currently foresees. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

DATE OF MD&A

This MD&A was prepared on April 30, 2018.

OVERVIEW

The Company was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on June 15, 2011 and was classified as a capital pool company as defined in Policy 2.4 of TSX Venture Exchange Inc. ("TSX-V").

On December 31, 2013, the Company, 2396933 Ontario Inc., a wholly-owned subsidiary of the Company ("2396933 OntCo") and Bathurst Resources Corp. ("Bathurst") completed a three-cornered amalgamation whereby Bathurst amalgamated with 2396933 OntCo and the Company issued one common share for each common share of Bathurst outstanding ("Amalgamation"). The Amalgamation constituted the Company's Qualifying Transaction for the purposes of Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. Upon completion of the Amalgamation, the Company changed its name from Gideon Capital Corp. to Morgan Resources Corp.

From 2013 to 2016, the Company was a mining exploration company with an option on certain volcanic-hosted massive sulphide properties in the Province of New Brunswick. Bathurst's principal project is the Gloucester Project.

On December 22, 2017, the Company, 2603995 Ontario Inc., a wholly-owned subsidiary of the Company ("260 OntCo") and Jekyll & Hyde Brand Builders Inc. ("J&H Brand Builders") completed a three-cornered amalgamation whereby 260 OntCo amalgamated with J&H Brand Builders and the Company issued one common share for each common share of J&H Brand Builders outstanding ("J&H Amalgamation"). On December 22, 2017, the Company also approved a change of business to an engagement/marketing service agency focused on the cannabis sector.

J&H Brand Builders is located in Toronto, Ontario and incorporated in the province of Ontario on August 30, 2017. .

Upon inception, it brought together individuals with extensive marketing and branding knowledge and experience within North America.

J&H Brand Builders had 9,500,000 common shares outstanding. In November 2017, J&H Brand Builders issued 2,666,667 common shares for gross proceeds of $400,000. The Transaction was structured such that the Company issued one common share for each common share of J&H Brand Builders. The total common shares outstanding upon closing of the Transaction, including the J&H Financing, was 49,593,603 common shares or 24.5% owned by the shareholders of J&H Brand Builders and 75.5% owned by the shareholders of the Company.

On March 8, 2018 J&H Brand Builders named Ms. Sanghera Chief Executive Officer. She replaced Ms. Kerry Harris who left the company on the same date. Ms. Sanghera is an accomplished marketing and design executive who has held numerous senior positions throughout her career. She is a dynamic leader with extensive experience in the cannabis profession.

Ms. Jayne Beckwith is the Chief Operating Officer of J&H Brand Builders. Ms. Beckwith is a senior brand and design strategist with a comprehensive background in research and data collection.

On March 28, 2018, the Company (Morgan Resources Corp) changed its name to Leviathan Cannabis Group Inc.

BUSINESS STRATEGY

The Company is focused on the cannabis sector and will encompass the following:

- A full service North American consumer engagement/marketing services agency;
- A supporting cannabis media platform;
- A proprietary portfolio of cannabis brands that will leverage the agency's unique capabilities and the reach and scale of the media platform.

The Company, through its subsidiary J&H Brand Builders, commenced operations on December 22, 2017. J&H Brand Builders commenced operations on August 30, 2017.

OVERALL PERFORMANCE

Overview of Operations

J&H Brand Builders

J&H Brand Builders brings together a wealth of business acumen and a built-in pipeline & intellectual capital in cannabis, including: marketing, design, digital, strategy, branding, M&A, customer engagement, R&D, data and business development.

Unlike other traditional agencies J&H Brand Builders is not simply creating a "division" for the cannabis sector. The Company is a Cannabis "2.0" integrated agency. The Company not only understands this burgeoning industry, but it knows how to optimize the culture and opportunities this sector has to offer.

Agency Services

- Strategic services: brand, marketing and operational strategy.
- Strategic implementation including: branding, digital, content development, mobile engagement and social media counsel and management.
- Underpinned by technology including proprietary modular mobile engagement platforms, digital services, data collection and analysis, AI and "bot" technology.

Media Services

The Company will either acquire or build a comprehensive digital platform designed to become the "voice" of the cannabis sector for consumers, brands, growers, SME's and regulators.

M&A Services

During 2018, the Company plans on executing a series of strategic acquisitions that extend across all vertical markets both here in Canada and internationally, to support the Company's proprietary brand strategy. This global reach positions the Company to be a leading multi-jurisdictional medical and recreational cannabis enterprise – one that brings together the best cannabis products, brands and expertise from Canada and around the world.

RESULTS OF OPERATIONS

Summary of Quarterly Financial Information

For the three months ended	**$ 28 Feb 18**	**$ 30 Nov 17**	**$ 31 Aug 17**	**$ 31 May 17**
Revenues	2,487	-	-	-
Expenses	131,262	26,955	14,797	10,650
Net loss for the period	(128,775)	(26,955)	(14,797)	(10,650)
Basic & diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

For the three months ended	**$ 28 Feb 17**	**$ 30 Nov 16**	**$ 31 Aug 16**	**$ 31 May 16**
Revenues	-	-	-	-
Expenses	13,099	20,438	17,105	9,236
Net (loss) for the period	(13,099)	(20,438)	(17,105)	(9,236)
Basic & diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

For the six months ended February 28, 2018

The Company, through its subsidiary J&H, commenced operations during the quarter and earned revenue of $2,487 (Feb 28 2017 - $Nil). The Company anticipates increased revenue for its services in the coming quarters.

Expenditures during the period totaled $158,217 (Feb 28 2017 – $33,537). These expenditures included:

- Professional fees $65,658 (Feb 28 2017 – $25,000) due to costs associated with listing of the Company's shares on the Canadian Securities Exchange and accounting costs. The future trend is expected to be reduced from the current period.
- Consulting fees of $56,600 (Feb 28 2017 - $Nil) due to costs associated with the operations of J&H. The future trend is to be similar to the current period as operations of J&H continue.
- Office and general expenses of $24,598 (Feb 28 2017 – $8,537). The future trend is expected to be increased from the current period as operations of the company continue.
- Travel & promotion of $2,437 (Feb 28 2017 - $Nil). The future trend is expected to increase from the current period.
- Rent of $8,715 (Feb 28, 2017 - $Nil). The future trend is expected to be similar to the current period.

Net loss for the period was $155,730 (Feb 28 2017 - $33,537).

For the three months ended February 28, 2018

The Company, through its subsidiary J&H, commenced operations during the quarter and earned revenue of $2,487 (Feb 28 2017 - $Nil). The Company anticipates increased revenue for its services in the coming quarters.

Expenditures during the period totaled $131,262 (Feb 28 2017 – $13,099). These expenditures included:

- Professional fees $43,158 (Feb 28 2017 – $7,500) due to costs associated with listing of the Company's shares on the Canadian Securities Exchange and accounting costs. The future trend is expected to be reduced from the current period.
- Consulting fees of $56,600 (Feb 28 2017 - $Nil) due to costs associated with the operations of J&H. The future trend is to be similar to the current period as operations of J&H continue.
- Office and general expenses of $20,143 (Feb 28 2017 – $5,599). The future trend is expected to be increased from the current period as operations of the company continue.
- Travel & promotion of $2,437 (Feb 28 2017 - $Nil). The future trend is expected to increase from the current period.
- Rent of $8,715 (Feb 28, 2017 - $Nil). The future trend is expected to be similar to the current period.

Net loss for the period was $128,775 (Feb 28 2017 - $13,099).

TRENDS AND OTHER INFORMATION

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of approximately $148,185 (Aug 31 2017 - $202,989) as at February 28, 2018. The Company has sources of revenue through its operating subsidiary J&H. The Company acquired J&H Brand Builders, who raised $400,000 in November 2017.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered at this time.

SUBSEQUENT EVENTS

On March 28, 2018, the Company changed its name to Leviathan Cannabis Group Inc.

On April 16, 2018, the Company's common shares commenced trading on the Canadian Stock Exchange under its new symbol EPIC.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments include cash and short-term deposits, accounts receivables, accounts payable and accrued liabilities, accrued interest payable and convertible loans. Cash and short-term deposits are classified as fair value through profit or loss. The carrying value of these instruments approximates their fair values due to their short-term nature. Accounts receivables are classified as loans and receivables, accounts payable and accrued liabilities and the convertible loan are classified as other financial liabilities, all of which are measured at amortized cost. It is the opinion of Management that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. On April 30, 2018, the Company had 49,593,603 common shares outstanding (February 28, 2018 – 49,593,603), 1,600,000 options (February 28, 2018 – 1,600,000) exercisable at $0.15 until August 1, 2019 and 350,000 options (February 28, 2018 – 350,000) exercisable at $0.10 until January 27, 2022.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the three months ended February 28, 2018 was "Salaries, consulting, and benefits" of $58,000 (Feb 28 2017 - $20,000).

RISKS AND UNCERTAINTIES

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

The Company operates primarily within Canada although a portion of its expenses are incurred in other countries primarily the United States dollars ("US dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar would not have a significant effect on the Company's results of operations, financial position or cash flows.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and long term debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable. The carrying amount of financial assets represents the maximum credit exposure. The Company believes there is insignificant credit risk associated with its accounts receivable based on the nature of the counterparties.

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company has investment policies to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs.

Liquidity and Funding Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to fund future operations. The Company manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing based on those forecasts.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. The Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions.

Capital management

The Company's objectives when managing capital are:

To safeguard the Company's ability to continue as a going concern in order to pursue the development of its products and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level; and

To provide an adequate return to shareholders commensurate with the level of risk associated with an early stage company.

The capital structure of the Company consists of cash, long term debt and equity comprising, issued capital, contributed surplus, warrants, and stock options.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, granting of stock options, the issuance of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. In order to maximize ongoing research and development of its products, the Company does not pay out dividends.

Other Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company’s Financial Condition

The Company has mainly relied on equity and debt financing and grant funding to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the results of scientific and clinical research, the Company’s ability to attain regulatory approvals, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference to pharmaceutical, biotechnology and medical companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.

Risks Related to the Company's Business and Operations

Regulatory

Changes to government policies and the current regulatory framework is outside of the Company's control, and hence the Company is subject to any changes in the framework that may cause the Company to adjust its operations or cut into the Company's profit margins.

Limited Operating History

The Company commenced operations on August 30, 2017, and as such is an early stage business and subject to the risks any early stage business faces. The Company has incurred operating losses since commencing operations. The success, among other things, is dependent on profitability of operations, ability to raise funds when necessary in a timely manner, and senior management's ability to execute on its strategy. The Company may incur losses in the future and may not achieve profitability.

Reliance on Management

The Company is reliant on senior management's ability to execute on its strategy. This exposes the Company to management's ability to perform, and as well the risk of management leaving the Company. To mitigate this risk, the Company has implemented incentive plans for all members of the senior management team. In addition, all senior members currently hold significant equity in the Company, another deterrent from having them leave.

Risks Relating to the Cannabis Industry

Change in Law, Regulations and Guidelines

Operations in Cannabis are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. On February 24, 2016, the Federal Court released its decision in the case of Allard et al v. Canada, declaring that the MMPR, as it was drafted, was unconstitutional in violation of the plaintiffs' rights under section 7 of the Charter of Rights and Freedoms. On August 24, 2016, the ACMPR came into force, replacing the MMPR as the regulations governing Canada's medical cannabis regime which permits patients to produce a limited amount of cannabis for their own medical purposes or to designate a person to produce a limited amount of cannabis. The ACMPR could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.

Regulatory Risk

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Competition

The market for the medical marijuana products does appear to be sizeable and Health Canada has only issued a limited number of licenses under the ACMPR to produce and sell medical marijuana. As a result, the Company expects significant competition from other companies due to the recent nature of the ACMPR regime. A large number of companies appear to be applying for production licenses, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Should the size of the medical marijuana market increase as projected the demand for products will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Company is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.

Risks Relating to the Company's Common Shares

The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of Leviathan Cannabis will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

The market price and trading volume of the Company's common shares have been volatile, and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.

The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

ADDITIONAL INFORMATION

Additional information relating to the Company can be requested by calling Chris Carmichael, CFO at 647 225-4337 or the Company at 416 806-0591.