

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Leviathan Cannabis Group Inc. (the "Issuer" or "Leviathan")  
250 The Esplanade Suite 116  
Toronto, Ontario  
M5H 4J6

**Item 2 Date of Material Change**

May 24, 2018

**Item 3 News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was disseminated on May 24, 2018 and filed on SEDAR.

**Item 4 Summary of Material Change**

Leviathan announced the acquisition of Woodstock Biomed Inc. ("**Woodstock**"), which owns a prime, late-stage ACMPR greenhouse production facility in Pelham, Ontario. Subject to customary closing conditions, including receipt of all necessary consents and regulatory approvals, the total Transaction value is \$15,750,000, which is to be paid as follows: \$750,000 in cash, thirty million Leviathan common shares will be issued at closing, of which 10 million Leviathan common shares are to be held in escrow and released once Woodstock has obtained its license to produce cannabis under the ACMPR.

**Item 5 Full Description of Material Change**

Please see the news release attached as Schedule "A" for a full description of the material change.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

The Issuer is not relying on sub-section 7.1 (2) of National Instrument 51-102 or the equivalent provisions of the securities legislation in other jurisdictions governing the Issuer for the filing of this report.

**Item 7 Omitted Information**

No information has been omitted from this report on the basis that is confidential information.

**Item 8 Executive Officer**

For further information, please contact Chris Carmichael, Chief Financial Officer, at (647) 225-4337.

**Item 9 Date of Report**

Dated at Toronto, Ontario this 30<sup>th</sup> day of May, 2018.

# Leviathan Cannabis Unveils Major Late Stage ACMPR Acquisition

Toronto, Ontario--(Newsfile Corp. - May 24, 2018) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "Company" or "Leviathan") is pleased to make an announcement that will elevate the Company's operating capacity in the cannabis industry.

**Leviathan** has agreed to acquire Woodstock Biomed Inc. ("**Woodstock**" or the "**Transaction**"). Woodstock is a late stage applicant that has received its Confirmation of Readiness from Health Canada's Office of Medical Cannabis. Woodstock owns a prime, late stage ACMPR greenhouse production facility in Pelham, Ontario. This 29.5-acre property (the "Property") will serve as the Company's cornerstone for cannabis cultivation operations in Canada.

The Property features a 350,000 sq. ft. facility, which the Company will transform into a state-of-the-art cannabis cultivation centre.

Conversion construction on 164,000 sq. ft. is well underway with an expected completion date in the summer of 2018. In this first phase of operations, Health Canada has approved a total annual production capacity of 20,000 kg.

**Leviathan** plans to rapidly expand the footprint on this facility into one million square feet of growing and production capacity in three phases. The Company intends to raise up to \$15,000,000 in combined debt and equity financing as described below to finance the expansion. Through this cultivation facility, the Company is committed to producing high-yield, pharma-grade, and competitively priced cannabis within predictable, dependable timelines.

## Key Terms of the Acquisition

The total Transaction value is \$15,750,000, to be paid by \$750,000 in cash and the remainder in **Leviathan** common shares, and is subject to customary closing conditions, including receipt of all necessary consents and regulatory approvals. Shares issued to Woodstock shareholders will be issued at a deemed price of \$0.50. Thirty million **Leviathan** common shares will be issued at closing of the Transaction with 10 million **Leviathan** common shares to be held in escrow and released once Woodstock has obtained its license to produce cannabis under the ACMPR. In addition, at the closing of the Transaction, **Leviathan** shall advance \$1,250,000 as a loan to Woodstock to be used to pay existing liabilities other than mortgages on the Property. The Transaction is expected to close by June 14, 2018 (the "**Closing Date**"). Post-closing, Woodstock will be a fully-owned subsidiary of **Leviathan**.

## Private Placement Financing

**Leviathan** intends to raise up to \$15,000,000 in combined debt and equity financing (the "Financing") within 60 days of the Closing Date. Proceeds from the Financing will be used to fund other M&A, the conversion of the Property and for general corporate purposes.

## About Leviathan Cannabis

**Leviathan** 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. In addition to the acquisition of **Woodstock Biomed Inc.**, the **Leviathan** portfolio includes **Jekyll+Hyde Brand Builders Inc.**, a cannabis focused, marketing services agency and the Company's fully owned subsidiary.

Please visit [www.LeviathanCannabis.com](http://www.LeviathanCannabis.com)

For more information, contact Rick Rogers, Chairman, **Leviathan Cannabis Group Inc.** at 416.303.9060 or Jayne Beckwith, COO **Jekyll+Hyde Brand Builders Inc.** at 416.806.0591.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

Certain information in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or negatives of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to anticipated revenue, statements with respect to internal expectations, expectations for future growing capacity and costs, the completion of any capital projects or expansions, the successful closing of the proposed Financing, the successful application to be a licensed cannabis producer under the ACMPR, the successful application to be a licensed cannabis seller under the ACMPR, and the timing for the completion of the proposed Transaction.

In particular, there can be no assurance that the license to produce or sell will be obtained. Forward-looking statements are

based on certain assumptions regarding Woodstock, including successful application to be a licensed cannabis producer and seller, expected growth, results from operations, performance, industry trends and growth opportunities. While Leviathan considers these assumptions to be reasonable, based on information currently available, they are inherently subject to significant business, economic and competitive uncertainties and contingencies and they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements also necessarily involve known and unknown risks, including without limitation, risks associated with general economic conditions, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments, the possibility that Leviathan may be unable to successfully integrate Woodstock as described herein, the inability to access sufficient capital on favourable terms, the medical and recreational cannabis industry in Canada in general, income tax and regulatory matters, the ability of Leviathan to execute its business strategies, competition, crop failure, currency and interest rate fluctuations and other risks.

Any forward-looking statements or facts (including financial information) related to Woodstock discussed or disclosed herein are derived from information obtained directly from Woodstock and publicly available sources and has not been independently verified by Leviathan. Readers are cautioned that the foregoing is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ from those anticipated. Forward-looking statements are not guarantees of future performance. Except as required by law, Leviathan disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

*Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*