

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

July 9, 2018

Item 3 News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated on July 10, 2018 and filed on SEDAR.

Item 4 Summary of Material Change

Leviathan announced that it has closed the private placement raising \$7,500,000. All securities issued are subject to a statutory four month hold period.

Item 5 Full Description of Material Change

Leviathan announced that it has issued 15,000,000 units at a price of \$0.50 per unit for total gross proceeds of \$7,500,000 (the “**Units**”) in a private placement (the “**Equity Financing**”). Each Unit is comprised of one (1) common share of Leviathan (the “**Common Share**”) and one (1) non-transferable common share warrant (the “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$1.00 per Common Share. The Warrant may not be exercised before the date that is 120 days from July 9, 2018. Leviathan may require the holders of Warrants, upon 15 days’ notice, to exercise their right to purchase Common Shares at any time after 120 days from July 9, 2018, if the Common Shares close at or above \$1.50 per Common Share for 20 consecutive trading days. The Warrants shall expire on July 9, 2020. Leviathan has paid Haywood Securities Inc. a brokerage fee of \$35,550 in the Equity Financing.

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 Martin Doane, Chief Executive Officer, at (416) 903-6691.

Item 9 Date of Report

Dated at Toronto, Ontario this 11th day of July, 2018.

SCHEDULE "A"



LEVIATHAN CANNABIS ANNOUNCES CLOSING OF ITS PRIVATE PLACEMENT

TORONTO, ONTARIO --- (Newsfile Corp. – July 10, 2018) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "**Company**" or "**Leviathan**") is pleased to announce that it has closed the private placement raising \$7,500,000. All securities issued are subject to a statutory four month hold period.

Private Placement Financing

Leviathan is pleased to announce that it has issued 15,000,000 units at a price of \$0.50 per unit for total gross proceeds of \$7,500,000 (the "**Units**") in a private placement (the "**Equity Financing**"). Each Unit is comprised of one (1) common share of Leviathan (the "**Common Share**") and one (1) non-transferable common share warrant (the "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$1.00 per Common Share. The Warrant may not be exercised before the date that is 120 days from July 9, 2018. **Leviathan** may require the holders of Warrants, upon 15 days' notice, to exercise their right to purchase Common Shares at any time after 120 days from July 9, 2018, if the Common Shares close at or above \$1.50 per Common Share for 20 consecutive trading days. The Warrants shall expire on July 9, 2020. **Leviathan** has paid Haywood Securities Inc. a brokerage fee of \$35,550 in the Equity Financing.

Leviathan's strategy is to use the net proceeds from the Equity financing for general corporate purposes and the conversion of the late-stage ACMPR greenhouse production complex in Pelham, Ontario (the "**Property**"), which is owned by Woodstock Biomed Inc., **Leviathan's** wholly-owned subsidiary. The Property features a 350,000 sq. ft. facility, which **Leviathan** will transform into a state-of-the-art cannabis cultivation centre. Conversion construction on 164,000 sq. ft. is underway with an expected completion later in 2018. In this first phase of operations, Health Canada has approved a total annual production capacity of 20,000 kg.

About Leviathan Cannabis

Leviathan plans on executing a series of strategic acquisitions that extend across all vertical markets 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. The **Leviathan** portfolio currently comprises **Jekyll+Hyde Brand Builders Inc.**, a marketing services agency specializing in the cannabis sector, and **Woodstock Biomed Inc.**, a late-stage applicant under the ACMPR, which is in the process of retrofitting a substantial greenhouse production facility in Pelham, Ontario. **Leviathan** recently announced its intention to acquire **Pulse Rx Inc.**, a boutique-style pharmacy currently providing core pharmacy services to institutional clients including nursing and retirement homes. **Pulse Rx** will form an integral component in **Leviathan's** future retail distribution model for cannabis products.

Please visit www.LeviathanCannabis.com



For more information, contact Rick Rogers, Chairman, **Leviathan Cannabis Group Inc.** at 416.303.9060 or Jayne Beckwith, Interim CFO at **Leviathan Cannabis Group 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 are based on certain assumptions, 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 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.

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.

Source: Leviathan Cannabis Group Inc.

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.