

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

October 19, 2018

Item 3 News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated on October 18, 2018 and filed on SEDAR.

Item 4 Summary of Material Change

Leviathan provided an update with respect to the Pelham Town Council (“Town”) decision to pass an interim control bylaw (the “By-law”) which purports to restrict the use of land in the Town for one (1) year to provide the Town with time to review its land use planning policies and regulations pertaining to cannabis related uses.

Item 5 Full Description of Material Change

Leviathan provided an update with respect to the Pelham Town Council decision to pass an interim control bylaw which purports to restrict the use of land in the Town for one (1) year to provide the Town with time to review its land use planning policies and regulations pertaining to cannabis related uses.

The By-Law was prompted primarily by concerns expressed by some citizens about odour emissions from existing facilities in the municipality. Leviathan’s legal counsel has not provided any legal opinion at this time. It has reviewed the Planning Act of Ontario which is the governing legislation associated with Interim Control by-laws of municipalities in Ontario. It has been instructed to write to the Town outlining our concerns regarding the By-law as it applies to our Pelham facility. It is in the process of doing so and will likely have our letter processed by early next week.

In addition, Leviathan’s legal counsel has reviewed the By-Law and strongly questions its legality and applicability to Leviathan. They are in the process of communicating their issues to the Town including the validity of its decision to pass the By-Law in the first place.

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 19th day of October, 2018.

SCHEDULE "A"



LEVIATHAN ANNOUNCES UPDATE

TORONTO, ONTARIO --- (Newsfile Corp. – October 18, 2018) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "**Company**" or "**Leviathan**") continues to move forward with the construction of its state-of-the-art hybrid greenhouse production facility located in the heart of Ontario's Niagara region.

On October 15, 2018 the Pelham Town Council ("Town") passed an interim control bylaw (the "**By-law**"). The By-Law purports to restrict the use of land in the Town for one (1) year to provide the Town with time to review its land use planning policies and regulations pertaining to cannabis related uses. The By-Law was prompted primarily by concerns expressed by some citizens about odour emissions from existing facilities in the municipality. **Leviathan's** legal counsel has not provided any legal opinion at this time. It has reviewed the Planning Act of Ontario which is the governing legislation associated with Interim Control by-laws of municipalities in Ontario. It has been instructed to write to the Town outlining our concerns regarding the By-law as it applies to our Pelham facility. It is in the process of doing so and will likely have our letter processed by early next week.

"We are confident the By-Law will not ultimately affect our build-out," stated Martin J. Doane, CEO of **Leviathan**. "Our demolition permits have already been approved and demolition will commence immediately. The **Leviathan** facility will be completely sealed with state-of-the-art, next generation technology, as a result of which there will be no material odour emissions whatsoever. Our facility will set the standard for cannabis operations, and good neighbor principles in the region. We expect to receive the appropriate building permits, regardless of the By-law. A Town Hall meeting in Pelham will be held in the next few weeks to introduce our design and build out specifics to the community and allay any of their concerns."

In addition, **Leviathan's** legal counsel has reviewed the By-Law and strongly questions its legality and applicability to Leviathan. They are in the process of communicating their issues to the Town including the validity of its decision to pass the By-Law in the first place.

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 Martin J. Doane, CEO, **Leviathan Cannabis Group Inc.** at 416.903.6691 or Jayne Beckwith, Chief Communications Officer at **Leviathan Cannabis Group Inc.** at 416.806.0591.



#

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.