



LEVIATHAN CANNABIS - DEFAULT ANNOUNCEMENT PURSUANT TO NATIONAL POLICY 12-203 – MANAGEMENT CEASE TRADE ORDERS

TORONTO, ONTARIO --- (Newsfile Corp. – December 31, 2018) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "Company" or "Leviathan") announces it has been unable to file its audited annual financial statements for the year ended August 31, 2018 before the required filing deadline of December 31, 2018.

The Company found it impossible to meet the filing deadline primarily because Mr. David Jarvis, the chair of Leviathan's audit committee, underwent sudden emergency heart surgery on December 14, 2018 and was in a medically-induced coma until December 20, 2018. Mr. Jarvis is expected to be released from hospital shortly and should be able to continue his duties as the chair of Leviathan's audit committee. Additional factors that contributed to the delay in finalizing the audited annual financial statements were the delay in receipt of third party banking and share confirmations and the decision to expand the scope of the audited annual financial statements based on conversations with the auditors, MNP, and Leviathan's senior management.

Leviathan will file the audited annual financial statements as soon as they are available and does not anticipate their filing occurring any later than January 31, 2019. Leviathan management is working closely with its auditors, MNP, to complete audit of the financial statements for the year ended August 31, 2018. Leviathan has all necessary financial and human resources to complete its audit and remedy the default. In order to achieve the filing of its audited annual financial statements by January 31, 2019, Leviathan will ensure key personnel are on site at the auditors premises over the next 2-3 weeks to complete the following key components with highest priority:

- Critical accounting memos pertaining to acquisitions and audit committee approval
- Final accounting updates (as required)
- Draft consolidated statements reviewed by Audit Committee
- Audit Committee meeting with auditors to recommend statements to the Board
- Board meeting to approve audited annual financial statements

The Company has submitted a management cease trade order application to the applicable securities regulatory authority under the provisions of National Policy 12-203 - Management Cease Trade Orders to permit the continued trading in the Company's common shares by persons other than directors, officers and insiders of Leviathan.

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.



www.LeviathanCannabis.com

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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.

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