

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 15, 2019

Item 3 News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated on October 31st, 2019 and filed on SEDAR.

Item 4 Summary of Material Change

Leviathan announced that it has secured a \$5,000,000 debt facility with a major shareholder. Leviathan also announced that it has cancelled an aggregate of 1,359,360 stock options.

Item 5 Full Description of Material Change

Leviathan will primarily use the \$5,000,000 funding to advance its operations in Tennessee and Colombia focused on the development of hemp cannabidiol (“CBD”) products.

The loan will have a maturity date of 15 October 2021 with the outstanding portion of the principal amount bearing interest at a rate of ten percent (10%) per annum from the date of each advance, payable three times per year: 30 April, 31 August and 31 December. Leviathan may, at its discretion, repay the balance of principal and/or interest owing at any time without penalty.

“This non-dilutive financing strengthens Leviathan’s balance sheet at an attractive cost of capital”, states Martin J. Doane, CEO of Leviathan. “Importantly, it will allow us to continue to pursue our aggressive growth strategy and move towards creating reliable revenue streams for the Company.”

Leviathan has cancelled an aggregate of 1,359,360 stock options granted on June 19, 2018 and expiring on June 19, 2021, exercisable at \$2.00 per share.

The Cancelled Options were voluntarily surrendered by the holders thereof for no consideration.

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 31st day of October, 2019

SCHEDULE "A"



LEVIATHAN CANNABIS SECURES \$5 MILLION IN DEBT FINANCING

TORONTO, ONTARIO --- (Newsfile Corp. – October 31, 2019) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "Company" or "Leviathan") announces that it has secured a \$5,000,000 debt facility with a major shareholder.

The Company will primarily use the funding to advance its operations in Tennessee and Colombia focused on the development of hemp cannabidiol ("CBD") products.

The loan will have a maturity date of 15 October 2021 with the outstanding portion of the principal amount bearing interest at a rate of ten percent (10%) per annum from the date of each advance, payable three times per year: 30 April, 31 August and 31 December. Leviathan may, at its discretion, repay the balance of principal and/or interest owing at any time without penalty.

"This non-dilutive financing strengthens Leviathan's balance sheet at an attractive cost of capital", states Martin J. Doane, CEO of Leviathan. "Importantly, it will allow us to continue to pursue our aggressive growth strategy and move towards creating reliable revenue streams for the Company."

Cancellation of Stock Options

The Company also announces that it has cancelled an aggregate of 1,359,360 stock options (the "Cancelled Options") granted to certain officers and directors of the Company on June 19, 2018 and expiring on June 19, 2021, exercisable at \$2.00 per share. The Cancelled Options were voluntarily surrendered by the holders thereof for no consideration.

About Leviathan Cannabis

Leviathan plans on executing a series of buy and build transactions extending across all vertical markets in Canada and internationally. The Company's global capabilities position it to become a leading multi-jurisdictional cannabinoid producer – one that brings together the best cannabinoid 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; Leviathan US Inc., which intends to begin manufacturing cannabidiol products by the end of calendar Q4 2019 from its facility in Smith County, Tennessee; LCG Holdings Inc., a hemp cultivation and processing facility in Rio Negro, Colombia, which expects to be operational in calendar Q1 2020; and Woodstock Biomed Inc., which is planning to retrofit a substantial greenhouse production facility in Pelham, Ontario, pending the termination of the interim control by-law imposed by the Town of Pelham in July 2020.



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, Leviathan Cannabis Group Inc. at 416. 842-8408 extension 216.

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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.