

**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**

December 20, 2019

**Item 3 News Release**

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated on December 20, 2019 and filed on SEDAR.

**Item 4 Summary of Material Change**

Leviathan announced it has increased its equity ownership in its operating subsidiary, Leviathan US Inc. Leviathan also announced it has cancelled an aggregate of 450,000 stock options.

**Item 5 Full Description of Material Change**

Leviathan has increased its equity ownership to 90 percent in its operating subsidiary, Leviathan US Inc. (“Leviathan US”). Leviathan US intends to manufacture cannabidiol products from its facility in Smith County, Tennessee. Leviathan was able to negotiate the improvement in its equity position based on its increased role in the buildout phase of the project, and in the subsidiary’s future operations.

Leviathan has also cancelled an aggregate of 450,000 stock options (the “Cancelled Options”) granted to certain consultants and employees of the Company. 300,000 options were granted on August 8, 2018 and were expiring on August 8, 2020, exercisable at \$1.50 per share; another 150,000 were granted on January 11, 2019 and expiring on January 11, 2023, exercisable at \$0.60 per share. The Cancelled Options either expired or 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 23rd day of December, 2019

**SCHEDULE "A"**

Please see attached.

## LEVIATHAN CANNABIS INCREASES OWNERSHIP POSITION IN LEVIATHAN US

TORONTO, ONTARIO --- (Newsfile Corp. – December 20, 2019) - **Leviathan Cannabis Group Inc.** (CSE: EPIC) (the "Company" or "Leviathan") announces it has increased its equity ownership to 90 percent in its operating subsidiary, Leviathan US Inc. Leviathan US intends to manufacture cannabidiol products from its facility in Smith County, Tennessee.

Leviathan was able to negotiate the improvement in its equity position based on its increased role in the buildout phase of the project, and in the subsidiary's future operations.

### **Cancellation of Stock Options**

The Company also announces that it has cancelled an aggregate of 450,000 stock options (the "Cancelled Options") granted to certain consultants and employees of the Company—300,000 options were issued on August 8, 2018 and expiring on August 8, 2020, exercisable at \$1.50 per share, and 150,000 shares were issued on January 11, 2019 and expiring on January 11, 2023, exercisable at \$0.60. The Cancelled Options either expired or 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 Q1 2020 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 Q2 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](http://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. 806.0591.

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

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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 revenue will not be less than necessary to fund growth opportunities and the financing of the construction of the greenhouses, results and profits from operations will not be less than required to fund growth opportunities and construction of greenhouses, performance, industry trends, growth opportunities will be available, and general business, economic, competitive, political and social uncertainties will not prevent the Corporation from conducting its business. 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.