

LEVIATHAN CANNABIS GROUP INC.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Leviathan Cannabis Group Inc. (the “Company” or “Leviathan”)
250 The Esplanade, Suite 116
Toronto, Ontario
M5H 4J6

Item 2: Date of Material Change

July 15, 2020.

Item 3: News Release

A news release was issued and disseminated on July 15, 2020 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule "A".

Item 4: Summary of Material Change

The Company has provided corporate updates with respect to its future operations in USA and opening a facility in Carthage, Tennessee, USA.

In addition, Leviathan has announced that it is changing its name to “Leviathan Natural Products Inc.”, pursuant to a shareholder resolution passed at an annual and special meeting of shareholders on June 23, 2020. The Company is listed on the Canadian Securities Exchange (“CSE”) and continues to be listed with “EPIC” as its ticker symbol on the CSE. The Company will start trading under its new name on or about July 21, 2020.

Item 5.1: Full Description of Material Change

See attached news release at Schedule "A" to this report.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Martin Doane, Chief Executive Officer
250 The Esplanade, Suite 116
Toronto, Ontario
M5H 4J6
(416) 903-6691

Item 9: Date of Report

This report is dated as of July 22, 2020.

SCHEDULE "A"

(See attached)



**LEVIATHAN CANNABIS PROVIDES UPDATE ON TENNESSEE OPERATIONS
AND ANNOUNCES NAME CHANGE TO LEVIATHAN NATURAL PRODUCTS INC.**

TORONTO, ONTARIO --- (Newsfile Corp.– July 15, 2020) – **Leviathan Cannabis Group Inc.** (the "Company" or "Leviathan") (CSE: EPIC) is pleased to provide the following update with respect to its future operations in Tennessee, USA, and a change to its corporate name.

Leviathan US – Carthage, Tennessee Facility

Beginning August 2020, the Company's 90% owned subsidiary Leviathan US, Inc. ("**Leviathan US**") is set to extract and process bulk cannabidiol ("**CBD**") products from hemp biomass from its 37,000 square foot facility on 9.75 acres in Carthage, Tennessee. Local operational teams are currently completing the set-up and calibration of commercial processing equipment and final construction requirements on the newly renovated property.



The Company's facility features a one-of-a-kind ethanol processing technique. This process involves chilling the ethanol and plant with liquid nitrogen at -80C. The ultra-low

temperatures with tight controls produce CBD derivatives with superior potency and purity. The Company's state-of-the-art facility includes 2,500 square feet of custom C1D2 extraction clean room space with foam fire suppression systems, security cameras and precision air handling. Leviathan US



intends to sell the following hemp-derived extracts for wholesale distribution across the United States: crude oil, THC-free crude, distillate, THC-free distillate and isolate. Proprietary branded products are planned for later in the calendar year.

COVID-19 has not had a material adverse effect on the company's operations in Tennessee. Understandably, vendors were slower to fulfill some orders due to the multiple challenges posed by the pandemic. The challenges and subsequent time delays pushed back the intended start date by approximately four months. The Company continues to carefully monitor the evolving situation of the COVID-19 pandemic. The safety and protection of its staff remains a top priority.

The Leviathan US facility is managed by a team of highly qualified professionals who are pioneers in extraction. Charl Lombard, the Company's Director of Operations, is a senior designer and operations expert who has spearheaded and supervised more than 10 licensed cannabis/hemp operations in the states of Massachusetts, California, Nevada, Colorado and Oregon overseeing tens of millions of dollars of capital investment. Immediately prior to commencing work on Leviathan's facility in Tennessee, he designed a substantial hemp biomass processing facility in Palm Desert, CA that produces crude, distillate and isolate. Mr. Lombard holds multiple science degrees.

Sean Bollinger is the Company's Lead Chemist & Production Manager. He holds a B.A. in Biochemistry & Molecular Biology from Cornell College in Mount Vernon, Iowa and a M.Sc. in Laboratory Investigations from Vanderbilt University in Nashville, Tennessee. His Master's research focused on supercritical fluid chromatography for chiral separations. Upon graduation, Mr. Bollinger worked at the Vanderbilt Center for Neuroscience and Drug Discovery where he oversaw automated purification systems using silica gel and C18 on both analytical and preparative scales. This work also included method development and optimization with both solvent-based systems and supercritical CO2 purification systems.

Access to Quality Hemp Biomass

Leviathan US is expected to finalize a contract with a nearby, local Tennessee farmer for the cultivation of high-quality hemp biomass. This experienced, generational farmer will produce a proprietary crop on 100 acres of land. First deliveries are expected in September 2020. In the interim, the Company has access to well-priced biomass from the same local supplier.

CBD Vape Pen Launch

The ability of Leviathan US to produce high-quality, high-purity CBD distillate at its Carthage, Tennessee facility has well-positioned the Company to launch its first branded product, a pure CBD all-in-one vaporizer pen planned for distribution in the United States before year end. It will be made under strict manufacturing standards using only broad spectrum THC-free CBD distillate and



terpenes.

“The completion of our Carthage, Tennessee facility is an exciting milestone for the Company”, says Martin J. Doane, CEO of Leviathan. “The ability to produce and offer high-quality wholesale and branded products represents significant growth opportunities for Leviathan and establishes a strong, stable platform for generating consistent, dependable revenue streams for the Company and its loyal shareholders.”

Name Change

In addition, the Company is pleased to announce that it is changing its name from Leviathan Cannabis Group Inc. to Leviathan Natural Products Inc., after receiving approval by way of a special resolution at its Annual and Special Meeting of Shareholders held on June 23, 2020. The name change reflects the Company’s continued emphasis on creating a proprietary portfolio of health and wellness focused cannabinoid products.

There will be no change to the Company’s symbol and Leviathan will continue to trade under the ticker “EPIC”. The Canadian Securities Exchange will publish a bulletin announcing the effective date of the change in Leviathan’s name and it is anticipated that the shares will begin trading under the new name on or about Tuesday, July 21, 2020. The CUSIP/ISIN number assigned to Leviathan’s shares remains unchanged. No action is required to be taken by shareholders with respect to the name change. Outstanding share certificates are not affected by the name change and do not need to be exchanged.

The Company encourages all current and potential shareholders to visit its website at www.Leviathan-Naturals.com.

About Leviathan Cannabis Group

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/hemp sector; Leviathan US Inc., which intends to begin manufacturing cannabidiol products in August 2020 from its facility in Carthage, Tennessee; LCG Holdings Inc., a hemp cultivation and processing facility in Carmen de Viboral, Colombia, which expects to be operational in calendar Q4 2020; and Woodstock Biomed Inc., which is planning to retrofit a substantial greenhouse production facility in Pelham, Ontario, pending the expiration of the interim control by-law imposed by the Town of Pelham on July 15, 2020 and subject to the newly introduced zoning by-law and other related amendments that may restrict cannabis and hemp operations.



www.Leviathan-Naturals.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 that renovations at the Carthage, Tennessee facility will be completed sufficiently quickly, the Company being able to secure sufficient hemp biomass to enable commercial production at the Carthage, Tennessee facility, pre-construction and construction activities will be completed at the Carmen de Viboral, Colombia facility by Q4/2020, the Company will obtain equipment financing for construction activities and the purchase of extraction equipment at the Carmen de Viboral facility, and that the Town of Pelham, Ontario will terminate the cannabis interim control by-law on July 15, 2020 and the newly introduced zoning by-law and other related amendments will not unduly restrict the Company's cannabis and hemp operations. Other assumptions include the 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 Company 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. Forward- looking information speaks only to such assumptions as of the date of this release.

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 and internationally, income tax and regulatory matters, the ability of Leviathan to execute its business strategies, competition, crop failure, currency and interest rate fluctuations, time delays to complete renovations at Carthage, Tennessee facility, the inability to secure sufficient hemp biomass to enable commercial production at the Carthage, Tennessee facility, delays in construction of the Carmen de Viboral, Colombia facility, the inability to obtain equipment financing for the Carmen de Viboral facility, the risk that the newly introduced zoning by-law and other related amendments will unduly restrict the Company's cannabis and hemp operations in the Town of Pelham, Ontario 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. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose.

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.