

**LEVIATHAN NATURAL PRODUCTS INC.**

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

**Item 1: Name and Address of Company**

Leviathan Natural Products Inc. (the “**Company**” or “**Leviathan**”)  
250 The Esplanade, Suite 116  
Toronto, Ontario  
M5A 4J6

**Item 2: Date of Material Change**

July 24, 2020.

**Item 3: News Release**

A news release was issued and disseminated on July 30, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com), a copy of which is attached hereto as Schedule "A".

**Item 4: Summary of Material Change**

The Company is reporting that it has increased the value of a debt facility with a major shareholder from \$5.0 million to \$5.5 million at the same terms and conditions as the original agreement. The terms of the original agreement were initially disclosed in the Company’s news release dated October 31, 2019.

**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 August 5, 2020.

**SCHEDULE "A"**

(See attached)



## LEVIATHAN NATURAL PRODUCTS INCREASES VALUE OF DEBT FACILITY

TORONTO, ONTARIO --- (Newsfile Corp.– July 30, 2020) – **Leviathan Natural Products Inc.** (the "**Company**" or "**Leviathan**") (CSE: EPIC) announces that effective July 24, 2020 it increased the value of a debt facility with a major shareholder from \$5.0 million to \$5.5 million at the same terms and conditions as the original agreement.

The terms of the original agreement were initially disclosed in the Company's news release dated October 31, 2019. 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 financing is meant to be non-dilutive. The Company will primarily use the funding to advance its operations and allow time to complete the refinancing of the building and equipment at its facility in Carthage, Tennessee.

### **About Leviathan Natural Products**

Leviathan Natural Products concentrates on non-psychoactive hemp derived products for the health and wellness market. 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 Q1 2021; and Woodstock Biomed Inc., which owns a 30-acre property with greenhouse infrastructure in Pelham, Ontario. Development at Woodstock is temporarily suspended pending the adoption of new municipal regulations and zoning by-law amendments imposed by the Town of Pelham that may restrict cannabis and hemp operations.

[www.Leviathan-Naturals.com](http://www.Leviathan-Naturals.com)

For more information, contact Martin J. Doane, CEO, Leviathan Natural Products Inc. at 416.903.6691 or Jayne Beckwith, Chief Communications Officer, Leviathan Natural Products 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 Q1/2021, 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 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 Natural Products Inc.