

**Form 51-102F3**  
***Material Change Report***

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

Leviathan Natural Products Inc. (the “Issuer” or “Leviathan”)  
250 The Esplanade  
Suite 116  
Toronto, Ontario  
M5H 4J6.

**Item 2: Date of Material Change**

February 4, 2021.

**Item 3: News Release**

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated on February 4, 2021 and filed on SEDAR.

**Item 4: Summary of Material Change**

Leviathan announced its product development and operations in Tennessee, USA, Antioquia, Colombia, and Ontario, Canada. Leviathan plans to sell its new line of products using hemp-derived extracts in the US like crude oil, THC-free crude, distillate and THC-free distillate, branded products such as tinctures, vape pens, and gummies and is currently creating a proprietary portfolio of health and wellness- focused cannabinoid brands.

LCG Holdings Inc. (“LCG”) in Antioquia, Colombia will cultivate specialized strains of hemp with high concentrations of CBD, CBG & CBN, in the Municipality of Carmen de Viboral, Colombia for extract and manufacturing of cannabinoid products. In addition, LCG plans on cultivating medicinal mushrooms for nutraceutical uses and for medical R&D and plans to sell to authorized biotechs and other research groups around the world.

Leviathan's wholly owned subsidiary, Woodstock Biomed Inc. (“Woodstock”), which owns a 30-acre property in Pelham, Ontario, Canada, announced that a test crop of industrial hemp was planted in the summer of 2020 and the harvest of this test crop was recently completed. The Woodstock property operates under a three-year lease agreement with Medical Saints, a Health Canada regulated licensed producer of industrial hemp.

Finally, the Company has retained the services of Renmark Financial Communications Inc. (“Renmark”) to manage its investor relations activities. Renmark is a leading full-service investor relations firm representing publicly traded companies listed on all major North American markets.

**Item 5.1: Full Description of Material Change**

See attached Schedule “A.”

**Item 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 10<sup>th</sup> day of February, 2021.

**SCHEDULE "A"**

# Leviathan Natural Products Provides Corporate Update

Toronto, Ontario--(Newsfile Corp. - February 4, 2021) - Leviathan Natural Products Inc. (CSE: EPIC) (the "**Company**" or "**Leviathan**") is pleased to provide the following corporate update with respect to its product development and operations in Tennessee, USA, Antioquia, Colombia, and Ontario, Canada.

## Leviathan US - Carthage, Tennessee Facility

Leviathan US, Inc. ("**Leviathan US**"), is accelerating its US business extracting and processing cannabinoid products from hemp biomass at its newly renovated 37,000 square foot facility on 9.75 acres in Carthage, Tennessee. The facility features a unique ethanol processing technique. This process involves chilling the ethanol and plant biomass to -80° with liquid nitrogen. The ultra-low temperatures produce the precise formulations with superior potency and purity. The 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 plans to initially sell the following hemp-derived extracts for wholesale distribution across the United States: crude oil, THC-free crude, distillate, and THC-free distillate. In addition, the Company utilizes its leading-edge processes to produce highly sought after and valuable crystal-resistant distillate ("**CRD**"). Crystallization is unwanted in vape cartridges as suspended crystals can make the product difficult to use.

As Leviathan US moves forward, its business strategy in 2021 will focus on the highest margin products in the cannabinoid extraction segment through the manufacturing of finished products for the Company's own brands and through white labeling formulations for select customers. The Company is currently creating a proprietary portfolio of health and wellness- focused cannabinoid brands. The launch and distribution of branded products are projected for early in the 2nd calendar quarter of 2021, and will consist of tinctures, vape pens, and gummies. Here is a sneak peek at the Jekyll & Hyde branded, proprietary vape line:



Figure 1

To view an enhanced version of Figure 1, please visit:

[https://orders.newsfilecorp.com/files/2564/73631\\_82ff018b148c7b14\\_001full.jpg](https://orders.newsfilecorp.com/files/2564/73631_82ff018b148c7b14_001full.jpg)

Leviathan's unique high quality product formulations have already resulted in some early successes that include:

- The execution of split toll processing agreements with local Tennessee hemp farmers for recently harvested crops. Under these agreements, Leviathan US processes the farmers' biomass and in exchange for this service retains half of the extracted product.
- Currently, the facility has approximately 60,000 pounds of hemp biomass on hand under split toll arrangements. This supply allows the facility to build its own inventory of crude oil, which can be further processed and sold without incurring the cost of purchasing hemp biomass.
- US\$120,000 order from a Las Vegas, Nevada distributor for 30,000 vape pens filled with crystal resistant CBD distillate.
- US\$59,000 order from a Smith County, Tennessee distributor for 132 liters of full spectrum distillate.

### **LCG Holdings Inc. - Carmen de Viboral, Antioquia, Colombia Facility**

LCG Holdings Inc. ("**LCG**") will begin cultivation of specialized strains of hemp with high concentrations of CBD, CBG & CBN in the next few weeks, for extract and manufacturing of cannabinoid products. In addition, LCG plans on cultivating medicinal mushrooms for nutraceutical uses and for medical R&D, and plans to sell to authorized biotechs and other research groups around the world.

To realize this objective, LCG intends to shortly complete the acquisition of a property comprised of 22.43 flat acres of land in the Municipality of Carmen de Viboral, Colombia (the "**Property**"). In addition to the land itself, all infrastructure on the Property will be acquired by LCG, including green house infrastructure, office space, workers' quarters, and drying rooms. Pursuant to an option and purchase agreement with an arm's length vendor (the "**Agreement**"), LCG is required to make five installment payments over eighteen months. The fourth scheduled payment of US\$354,330, which triggers the transfer of title, is due the first calendar quarter of 2021.

LCG will continue to retrofit the Property, as needed, to meet its various operational requirements. LCG is continuing to work towards obtaining all applicable permits and expects to be operational in the 2nd calendar quarter of 2021.

Concurrent with the acquisition of the above noted Property, LCG has executed a non-binding letter of agreement to acquire a Colombian company for US\$173,088 that has been granted psychoactive and non-psychoactive hemp and cannabis licenses. The Company has negotiated four installment payments over fifteen months. Management will press release final terms once a definitive agreement has been reached and the payment schedule has been successfully concluded.

### **Woodstock Biomed Inc - Pelham, Ontario Facility**

Leviathan's wholly owned subsidiary, Woodstock Biomed Inc. ("**Woodstock**"), owns a 30-acre property with greenhouse infrastructure in Pelham, Ontario, Canada. The Woodstock property operates under a lease agreement with Medical Saints Ltd. ("**Medical Saints**"), a Health Canada regulated licensed producer of industrial hemp.

On November 26, 2020, the Company announced that Woodstock finalized a three-year lease agreement (the "**Agreement**") with Medical Saints. The Agreement was entered into pursuant to the previously announced joint venture between Woodstock and Medical Saints. The Agreement allows for important research and development ("**R&D**") in the industrial hemp sector at Woodstock's greenhouse facility. The R&D focuses on the development of superior strains of hemp, distinct from the cannabis plant category, owing to the absence of material amounts of THC. The process involves the examination of various cultivation methods, analyzing soil conditions, studying the speed of plant maturation, and identifying the best retention methods of desirable terpenes. A test crop was planted in the summer of 2020 and the harvest of this test crop was recently completed.

Medical Saints invested a total of \$655,000 in Woodstock's Pelham property and the R&D project for security fencing and modest repairs to existing soft-sided greenhouse structures necessary to maintain operational functionality. Depending on the success of this project, and if revenue streams are ultimately realized, Medical Saints will recoup its original investment based on a revenue sharing arrangement with Woodstock. If revenues are realized, 100% of net revenues will be used to repay Medical Saints' initial investment, and then Medical Saints and Woodstock will share revenues on a 50-50 basis with respect to any ongoing proceeds.

### **IR Firm Retained - Renmark Financial Communications**

The Company is pleased to announce that it has retained the services of Renmark Financial Communications Inc. ("**Renmark**") to manage its investor relations activities. Renmark is a leading full-service investor relations firm representing publicly traded companies listed on all major North American markets.

In consideration for services provided, Leviathan will pay a monthly fee of up to C\$8,000, starting January 2021 for a period of six months ending on June 30th, 2021, after which the agreement can be terminated at any time by either providing 30 days notice to the other party. Renmark does not have any interest, directly or indirectly, in Leviathan or its securities, or any right or intent to acquire such an interest.

### **Financial Statements - Three Months Ended November 30, 2020**

In addition to activities described above, on January 28, 2021 the Company filed its interim financial statements and related Management Discussion & Analysis for the three months ended November 30, 2020. Documents may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **About Leviathan Natural Products**

Leviathan 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 began manufacturing cannabinoid 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 Q2 2021; and Woodstock Biomed Inc., which owns a 30-acre property with greenhouse infrastructure in Pelham, Ontario. The Woodstock property operates under a lease agreement with Medical Saints Ltd. ("Medical Saints"), a Health Canada regulated licensed producer of industrial hemp.

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

For more information, contact:

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*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:**

This press release contains forward-looking statements. Forward-looking statements are statements that contemplate activities, events or developments that the Company anticipates will or may occur in the future. Forward-looking statements in this press release include, but are not limited to, those regarding the Company's plan to sell hemp-derived extracts for wholesale distribution across the United States, the anticipated timing of the Company's launch of its portfolio of health and wellness-focused cannabinoid brands, the anticipated timing of cultivation of specialized strains of hemp, the proposed acquisition of the Property, the proposed acquisition of a Colombian company that has been granted psychoactive and non-psychoactive hemp and cannabis licenses, and Agreement resulting in the development of superior strains of hemp. The material factors or assumptions used to develop these forward-looking statements include that the non-binding arrangements and informal understandings the Company has with third parties will develop into binding agreements to support the sale of the Company's health and wellness-focused cannabinoid brands and hemp-derived extracts, that LCG's previously planted hemp crops will grow on standard timelines, that informal discussions the Company and its representatives have had will develop into binding contracts pertaining to the sale of medicinal mushrooms, that the vendor of the Property will continue to abide by its contractual obligations and transfer title to LCG upon sale of the final instalment payment, and that the counterparty to the LCG's letter of intent in respect of the purchase of the Colombian company holding hemp and cannabis licenses will continue to negotiate with the Company in good faith. Although the Company believes that the assumptions inherent in these forward-looking statements are reasonable, they are not guarantees of future performance and, accordingly, they should not be relied upon and there can be no assurance that any of them will prove to be accurate. These forward-looking statements reflect the Company's current expectations based on information currently available to management and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those projected. Risks and uncertainties include, but are not limited to, the risk that the non-binding arrangements and informal understandings the Company has with third parties with respect to sale of the Company's health and wellness-focused cannabinoid brands and hemp-derived extracts will not develop into binding contracts, the LCG's previously planted hemp crops will fail to grow on standard timelines or that the crops will spoil, that informal discussions the Company and its representatives have had will not develop into binding contracts pertaining to the sale of medicinal mushrooms on terms acceptable to the Company, that the Vendor of the Property will renege on its obligations to LCG, and that the counterparty to LCG's letter of intent will terminate the agreement or propose terms that are unacceptable to the Company. Readers should refer to the risk disclosure included from time-to-time in the documents the Company files on SEDAR, available at [www.sedar.com](http://www.sedar.com). Finally, these forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update them except as required by applicable law.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Source: Leviathan Natural Products Inc.



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