

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

June 16, 2021.

Item 3: News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated via Newsfile Corp. on June 16, 2021 and filed on SEDAR.

Item 4: Summary of Material Change

On June 16, 2021, the Issuer announced that its subsidiary, Leviathan US Inc. (“**Leviathan US**”), has secured a supply agreement (the “**Agreement**”) with Veridia USA LLC (“**Veridia USA**”) to supply full spectrum cannabidiol crude hemp oil (the “**Product**”), serving as Veridia USA’s primary supplier of the Product.

In line with the terms and conditions of the Agreement, Leviathan US expects to initially sell Veridia USA 2,000-3,000 kilograms of the Product per month with an intention to increase its production capacity to 5,000-6,000 kilograms to meet Veridia USA’s demand.

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 16th day of June 2021.

SCHEDULE "A"

**News Release dated June 16,
2021**



**LEVIATHAN NATURAL PRODUCTS SECURES AGREEMENT TO SERVE AS VERIDIA
USA'S PRIMARY SUPPLIER OF CBD CRUDE HEMP OIL**

TORONTO, ONTARIO --- (Newsfile Corp.– June 16, 2021) – Leviathan Natural Products Inc. (CSE: EPIC) (OTCQB: LVCNF) (the “**Company**” or “**Leviathan**”) is pleased to announce that its subsidiary, Leviathan US, Inc. (“**Leviathan US**”) has secured a supply agreement (the “**Agreement**”) with Veridia USA LLC (“**Veridia USA**”) to supply full spectrum cannabidiol (“**CBD**”) crude hemp oil (“**Product**”), serving as Veridia USA’s primary supplier of this Product.

Pursuant to the terms and conditions of the Agreement, Leviathan US expects to initially sell Veridia USA 2,000-3,000 kilograms of the Product per month with an intention to increase its production capacity to 5,000-6,000 kilograms per month in order to meet Veridia USA’s demand. The price per kilogram will be based on a mutually agreed price that corresponds with the prevailing average U.S. wholesale market price at the time of each individual sale.

Based in Broomfield Colorado, Veridia USA is an innovative leader in the industrial hemp and nutraceutical sector. Its best-in-class production and refinement operation has over 20 years of combined experience in the chemical processing and manufacturing of industrial hemp. Veridia USA will incorporate Leviathan’s Product into its wholesale supply chain as well as use it to produce its global proprietary line of consumer products.

“Leviathan’s well-laid plans to methodically build out state-of-the-art hemp extraction facilities has satisfyingly taken the company to the next level of growth.” says Martin J. Doane, CEO of Leviathan. “Veridia USA chose Leviathan US as its primary crude supplier because of the extraordinary quality of our product combined with our competitive pricing. Our agreement with Veridia USA is another assertive step forward in establishing a dependable revenue base for the Company.”

“We are very pleased to enter into a crude CBD hemp oil supply agreement with Leviathan US.” states Mike Porricelli, Managing Director of Veridia USA. “We are impressed with Leviathan US’ extraction technology, its operational team and its attention to compliance. Under the Agreement, Leviathan will provide quality CBD hemp crude oil on a dependable, consistent basis. Leviathan’s geographical location is also perfect for our supply chain as the Tennessee region has ideal access to quality CBD hemp biomass grown by experienced farmers. These multi-generational farmers have a long history in tobacco and are now applying their deep knowledge and expertise to growing high-grade hemp.”



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 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 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. The agreement allows for important research and development (“R&D”) in the industrial hemp sector.

For more information, please 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:

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 information includes, but is not limited to, statements with respect to supplying the Product in the timelines and quantities mentioned above and Company's ability to reach commercial production. 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 the terms of the Agreement, the Company being able to secure sufficient hemp biomass to enable commercial production at the Carthage Tennessee facility to meet the demand, the Company's ability to invest in additional production capacity over the next 6 months to increase its monthly production, the renovations at the Carthage, Tennessee facility will be completed sufficiently quickly, pre-construction and construction activities will be completed at the Carmen de Viboral, Colombia facility by Q2/2021, the Company's ability to obtain equipment financing for construction activities and the purchase of extraction equipment at the Carmende Viboral facility, and that the Town of Pelham, Ontario, the newly introduced zoning by-law and other related amendments, and the three separate legal challenges involving the Town of Pelham will not unduly restrict the Company's cannabis and hemp operations. Other assumptions include industry trends, the availability of growth opportunities, 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, inability to meet the demand due to low production capacity or inability to secure sufficient biomass, risks associated with the Company's ability to meet



production quotas, delays in renovation of the Carthage, Tennessee facility and 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 and the three separate legal challenges involving the Town of Pelham 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.