

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, ON
M5H 4J6.

Item 2: Date of Material Change

August 13, 2021.

Item 3: News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated and subsequently filed on SEDAR on August 17, 2021.

Item 4: Summary of Material Change

The Company has announced that its Colombian subsidiary, LCG Holdings Inc. (“**LGC**”), has completed an acquisition of all of the issued and outstanding shares of Natural Origins SAS (“**Natural Origins**”), a Colombia based company licensed for growing, processing, and exporting psychoactive and non-psychoactive cannabis (the “**Transaction**”).

In connection with the Transaction, and pursuant to the term and conditions of a share purchase agreement entered into between LCG and Natural Origins on December 7, 2020, as amended, the consideration for the acquired of all issued and outstanding shares paid by LCG was in amount of gross proceeds of US\$129,539 and it was paid following a schedule that was completed on August 6, 2021 by the payment of the balance of the consideration price.

LCG intends to sell its products in key markets in South America, Europe and Asia, leveraging the global networks of Leviathan and LCG’s executive team.

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 Company 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 Company 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 August, 2021.

SCHEDULE "A"

Please see attached.



**LEVIATHAN NATURAL PRODUCTS ACQUIRES COLOMBIAN COMPANY
WITH CANNABIS LICENSES**

TORONTO, ONTARIO --- (Newsfile Corp.– August 17, 2021) – Leviathan Natural Products Inc. (CSE: EPIC; OTCQB: LVCNF) (the “**Company**” or “**Leviathan**”) is pleased to announce that its Colombian subsidiary, LCG Holdings Inc (“**LGC**”), has completed an acquisition of all of the issued and outstanding shares (the “**Acquisition**”) of Natural Origins SAS (“**Natural Origins**”), a Colombian company licensed for growing, processing, and exporting psychoactive and non-psychoactive cannabis (the “**Licenses**”).

Pursuant to a share purchase agreement dated December 7, 2020 (the “**Agreement**”), as amended, entered between LCG and Natural Origins, LCG acquired all of the issued and outstanding shares in the capital of Natural Origins (“**Origins Shares**”) in consideration of total of 497,818,080 COP at the exchange rate of 3,842COP per US\$1 (US\$129,539) (the “**Consideration Price**”) paid to all shareholders of the Origin Shares (“**Origins Shareholders**”) on the following payment schedule: (i) 70,442,000 COP of the Consideration Price were paid at the time of signing the Agreement; (ii) 100,000,000 of the Consideration Price were paid on January 25, 2021 plus 1,820,379 COP of late interest; (iii) 209,157,500 COP of the Consideration Price were paid on April 9, 2021 to purchase 50% of Origins Shares plus 9,486,701 of late interest; and (iv) 96,911,500 of the Consideration Price were paid on August 6, 2021 to purchase remaining 50% of Origins Shares. Each Origins Shareholder received a portion of the Consideration Price in proportion to the number of Origins Shares held by each. No securities of the Company were issued under the terms of the Agreement.

LCG is currently in the process of upgrading the facility on its 22-acre property in Carmen de Viboral, Colombia (“**Carmen de Viboral Facility**”). LCG intends to cultivate specialized strains of cannabis and hemp with high concentrations of CBD, CBG & CBN, for extraction and manufacturing of cannabinoid products under the Licenses, including both bulk and branded 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. The expected completion date for the first phase of the Colombian facility is in the second calendar quarter of 2022.

Taking advantage of the robust Colombian export regime, LCG intends to sell its products in key markets in South America, Europe and Asia, leveraging the global networks of Leviathan and LCG’s executive team.



“The acquisition of Natural Origins represents a significant accomplishment for the Company,” states Martin J. Doane, CEO of Leviathan. “There is a strict, regulatory framework and process for licenses in Colombia, which means they are highly coveted and not easily obtained. Our well-equipped, well-positioned facility coupled with ownership of a government sanctioned license that allows for the global export of psychoactive and non-psychoactive products represent exceptional value and strong revenue generating potential.”

About Leviathan Natural Products

Leviathan concentrates primarily 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 cannabis and hemp cultivation and processing facility in Carmen de Viboral, Colombia, which expects to be operational in calendar Q2 2022; 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., 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 the process of upgrading the facility in the Carmen de Viboral Facility; cultivating specialized strains of cannabis and hemp under the Licenses; cultivating medicinal mushrooms for nutraceutical uses and for medical R&D; selling medicinal mushrooms to authorized network around the world; supplying its products in the key markets 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 maintain the Licenses, the Company's ability comply with regulatory requirements in Colombia, pre-construction and construction activities will be completed at the Carmen de Viboral Facility by Q2/2021, the Company's ability to obtain equipment financing for construction activities and the purchase of extraction equipment at the Carmen de Viboral Facility, the Company's ability to obtain sufficient funding for cultivation of its products, the Company's ability to sell its products to and to meet demand of the key markets. 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 and construction of the Carmen de Viboral Facility, the inability to obtain equipment financing for the Carmen de Viboral Facility, risks associated with maintaining the Licenses and being in compliance with Colombian laws and regulations, 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.