

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

Item 1: Name and Address of Company

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

Item 2: Date of Material Change

October 25, 2021

Item 3: News Release

The news release was issued and disseminated via Newsfile on October 25, 2021 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule “A”.

Item 4: Summary of Material Change

On October 25, 2021, the Company announced that it had entered into a definitive agreement to acquire all of the issued and outstanding shares of Tirthankar Ltd., and its related companies (the “**Tirthankar Entities**”), in consideration for the payment of \$1.8 million in cash and the issuance of 15,750,000 common shares of the Company. The Company will issue an additional 250,000 common shares of the Company to certain employees of the Tirthankar Entities in connection with the acquisition.

Item 5.1: Full Description of Material Change

Please see news release attached hereto as Schedule “A” for a full description of the material change.

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 J.

Doane
Leviathan Natural Products Inc.
Telephone: (416) 903-6691
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Item 9: Date of Report

This report is dated as of the 28th day of October

SCHEDULE "A"



LEVIATHAN NATURAL PRODUCTS TO ACQUIRE 10 RETAIL CANNABIS STORES AND 5 DEVELOPMENT LOCATIONS IN ONTARIO

TORONTO, ONTARIO --- (Newsfile Corp.– October 25, 2021) – Leviathan Natural Products Inc. (CSE: EPIC; OTCQB: LVCNF) (the “**Company**” or “**Leviathan**”) is pleased to announce that it entered into a definitive agreement today (the “**Agreement**”) to acquire all of the issued and outstanding shares of Tirthankar Ltd. and related companies (the “**Tirthankar Entities**”), which operate 10 retail cannabis stores in Ontario, and have 5 more locations in development.

Pursuant to the Agreement, Leviathan will acquire all of the issued and outstanding shares of the Tirthankar Entities in consideration for \$1.8 million cash and 15,750,000 common shares of Leviathan. Leviathan will also issue 250,000 common shares to certain employees of the Tirthankar Entities as a retention bonus. All of the common shares of Leviathan issuable under the Agreement will be subject to contractual restrictions on trading.

In connection with the transaction, Leviathan is excited to announce that Tanvi Bhandari, founder and senior officer of the Tirthankar Entities, will join the board of directors of Leviathan. Ms. Bhandari will contribute to the integration of the new stores into the Company and will use her expertise to assist Leviathan in managing its retail cannabis division.

The Company intends to furnish the Tirthankar Entities with the necessary capital to expand its retail platform to up to 75 dispensaries in Ontario and other provinces. It is estimated that each new dispensary will cost approximately \$200,000 to launch, including initial inventory, leasehold improvements and marketing.

The Tirthankar Entities’ stores operate under its retail brands “T CANNABIS” and “COST CANNABIS” offering a wide variety of cannabis brands and products, including flower, pre-rolls, concentrates, edibles, beverages, vapes, topicals, seeds, and accessories. These retail outlets are located in the following Ontario municipalities:

- Acton (opened)
- Beamsville (opened)
- Cochrane (opened)
- Hearst (in development)
- Fort Frances (opened)
- Kenora (opened)
- Kirkland Lake (in development)
- Manitouwadge (in development)
- New Liskeard (opened)
- Peterborough (in development)
- Renfrew (opened)
- Rockland (opened)
- Scarborough (opened)
- Smith Falls (opened)
- Wawa (in development)

The parties intend to close the transaction before the end of calendar 2021. Completion is subject to regulatory approval from the Alcohol and Gaming Commission of Ontario (the “**AGCO**”) and the satisfaction of certain customary closing conditions. On closing, the Company will sign contracts with the Tirthankar Entities’ management team and key retail store personnel. Leviathan also plans to grant stock options to retail staff.

“Securing a significant foothold in Ontario’s cannabis retail market is an important milestone for the Company,” states Martin J. Doane, CEO of Leviathan. “The Tirthankar team has a portfolio of well-positioned cannabis retail stores strategically placed in previously underserved cities and towns across the province. The Company’s management team looks forward to working with Tirthankar to build out its strong, revenue-generating platform.”



“We are delighted to join the Leviathan group of companies”, states Tanvi Bhandari, President and Founder of Tirthankar. “Leviathan’s capital, resources and expertise means Tirthankar can continue to focus on excellent customer service and employee satisfaction while executing its aggressive strategy for growth in a prime cannabis market.”

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 manufactures cannabidiol products 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:

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations



of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward- looking statements contained herein include, but are not limited to, statements regarding: the Company's ability to complete the acquisition of the Tirthankar Entities as contemplated by the Agreement prior to the calendar end of 2021; the ability of the Company and Tirthankar Entities to complete the development of the 5 retail locations in development; the ability of the Tanvi Bhandari to join the board of directors of the Company; the ability of the Company to furnish the Tirthankar Entities with the necessary capital to expand its retail platform to up to 75 dispensaries in Ontario and other provinces; the ability of the Tirthankar Entities to achieve regulatory approval from the AGCO; the ability of the Company to grant stock options to certain retail staff; and the ability of the Company to complete the development of the cannabis and hemp cultivation and processing facility in Carmen de Viboral, Colombia the end of Q2 of 2022.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company's ability to continue as a going concern; the continued commercial viability and growth in popularity cannabis and hemp products; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company's ability to finance the completion of the transaction with the Tirthankar Entities; 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; the continuation of industry trends; the availability of growth opportunities; general business, economic, competitive, political and social uncertainties will not prevent the Company from conducting its business; and the Company's ability to finance the completion of the 5 retail outlets in development and the development of the cannabis and hemp cultivation and processing facility in Carmen de Viboral, Colombia.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern; the risks associated with the cannabis industry in general; increased competition in the cannabis retail market; the potential future unviability of the Company's and the Tirthankar Entities' products; incorrect assessment of the value and potential benefits of various transactions, including the acquisition of the Tirthankar Entities; risks associated with potential governmental and/or regulatory action with respect to the cannabis industry, particularly with respect to the cannabis retail market; risks associated with a potential collapse in the value of cannabis products and services; the Company's inability to complete the acquisition of the Tirthankar Entities as contemplated by the Agreement prior to the calendar end of 2021; the inability of the Company and Tirthankar Entities to complete the development of the 5 retail locations in development; the inability of the Tanvi Bhandari to join the board of directors of the Company; the inability of the Company to furnish the Tirthankar Entities with the necessary capital to expand its retail platform to up to 75 dispensaries in Ontario and other provinces; the potential refusal of the AGCO to grant the requisite regulatory approval to the Tirthankar Entities; the inability of the Company to grant stock options to certain retail staff; income tax and regulatory matters; the ability of Leviathan to execute its business strategies; risks regarding potential cannabis/hemp crop failure; currency and interest rate fluctuations; the inability of the Company to meet the demand due to low production capacity or inability to secure sufficient biomass; risks associated with the Company's ability to complete the development of the cannabis and hemp cultivation and processing facility in Carmen de Viboral, Colombia the end of Q2 of 2022.



Readers are cautioned that the foregoing list 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 materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.