

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Leviathan Cannabis Group Inc.** (the “**Issuer**”)

Trading Symbol: **EPIC**

Number of Outstanding Listed Securities: **94,743,603**

Date: **July 31, 2019**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

By press release dated July 29, 2019, the Issuer announced that it had closed the previously announced purchase of a 5-acre property with an existing 37,000 square foot building located in Smith County, Tennessee.

The acquisition facilitates the establishment of a new business unit in Smith County, Tennessee to manufacture Cannabidiol ("CBD") isolate and other CBD products from hemp.

Leviathan US, Inc., of which the Company owns 75% of the issued shares, controls a conditional hemp processing license from the Tennessee Department of Agriculture, subject only to various ordinary-course operational permits being issued during the process leading to commercial launch, which is expected to culminate on or before November 15, 2019.

The Company projects that the cost of the first phase, including the purchase of the property, building retrofitting and extraction equipment, will total approximately US\$3 million. Leviathan US had previously taken possession of the property and commenced retrofitting the building for hemp processing operations.

Upon completion of the first phase of its development plans for the property, Leviathan US will be able to produce 1,000 kilograms of high-grade CBD isolate per month.

The building, as well as the property as a whole, offer significant expansion capacity beyond the first phase. The Company envisages increasing the CBD isolate production capacity to 3,000 kilograms of high-grade CBD isolate per month and adding other hemp-derived product lines by 2021.

The Issuer is focused on the medicinal and adult cannabis and hemp CBD sectors encompassing some or all of the following:

- o A full service North American consumer branding and marketing services agency specializing in the medicinal and adult cannabis and hemp CBD sectors;**
- o A supporting medicinal and adult cannabis and hemp media platform;**
- o A proprietary portfolio of medicinal and adult cannabis and hemp brands, which will leverage the agency's unique capabilities and the reach and scale of its media platform.**

- o State-of-the art facilities for the cultivation and processing of medicinal and adult cannabis in Canada and the extraction and processing of hemp CBD in the United States**
- 2. Provide a general overview and discussion of the activities of management.

The Issuer brings together a wealth of business acumen with a built-in pipeline and intellectual capital in cannabis including marketing, design, digital, strategy, branding, acquisitions, R&D, data and business development.

The Issuer not only understands this industry but knows how to optimize opportunities across all vertical markets to bring together the best cannabis products, brands and expertise from Canada and around the world to support the Company's proprietary brand strategy.

Throughout the month, management focused on establishment of the Issuer's new hemp CBD extraction and processing facility in Tennessee, USA.

- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

- 5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On July 29, 2019, the Issuer announced its subsidiary Leviathan US, Inc. purchased a 37,000 square foot industrial building on 5-acres of land (suitable for expansion) from an arm's length independent third party for USD \$300,000 in Carthage, Smith County, Tennessee. The acquisition facilitates the Issuer's hemp CBD extraction and processing business in the United States.

The Issuer's entry into the US market follows the signing into law of the US Farm Bill in December 2018. This legislation exempts hemp from the Controlled Substances Act and allows the import and export of hemp-derived products across U.S. state lines.

The Issuer budgets that the capital expenditures for the first phase, including purchase of the land and building, retrofitting and refurbishing the building, and the purchase and installation of extraction and processing equipment, will total approximately USD \$3.0 million.

Upon completion of the first phase of development, the Issuer's subsidiary will be capable of producing up to 1,000 kilograms of high-grade CBD isolate per month.

The Tennessee building and property also offer significant capacity for expansion. The Issuer foresees increasing CBD isolate production to 3,000 kilograms of high-grade CBD isolate per month and adding other hemp-derived product lines by 2021.

Hemp and cannabidiol (CBD) are part of the cannabis family but contain only trace amounts of tetrahydrocannabinol (THC), the chemical compound associated with psychoactive effects of cannabis. While hemp is already used in many industrial products such as textiles, CBD is surging in popularity in a wide range of consumer products such as health and wellness, skin care, food, beverage and nutritional supplements.

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

N/A

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
N/A	N/A	N/A	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The signing into law in December 2018 of the US Farm Bill legalizing the cultivation and processing of hemp throughout the United States is expected to have a planned material impact on the Issuer.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Date August 7, 2019



Martin J. Doane
CEO & Board Chair

Issuer Details Name of Issuer Leviathan Cannabis Group Inc.		For Month End July 2019	Date of Report YY/MM/DD 19/08/07
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City/Province/Postal Code Toronto, ON M8Y 1H6	Issuer Fax No. ()	Issuer Telephone No. (416) 842-8408	
Contact Name Martin J. Doane	Contact Position CEO	Contact Telephone No. (416) 842-8408 ext: 203	
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