

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company:

Maricann Group Inc. ("Maricann")
845 Harrington Court, Unit 3
Burlington, ON L7N 3P3

Item 2. Date of Material Change:

August 22, 2017

Item 3. News Release:

A press release, attached hereto as Schedule A, was disseminated on August 22, 2017 through Marketwired and a copy was subsequently filed under Maricann's profile on SEDAR at www.sedar.com.

Item 4. Summary of Material Change:

On August 22, 2017, Maricann entered into a share purchase agreement (the "Share Purchase Agreement") with the holders (the "Vendors") of all of the issued and outstanding shares in the capital of NanoLeaf Technologies Inc. ("NanoLeaf"), a biotech company incorporated under the laws of Canada possessing licensing rights to a number of globally patented technologies that provide proven pharmaceutical, nutraceutical, cosmetic and functional beverage drug delivery formulations. Pursuant to the Share Purchase Agreement, Maricann will acquire all of the outstanding shares of NanoLeaf (the "Transaction") for \$38,500,000 (to be paid by the issuance of Maricann common shares), plus a pre-closing loan to NanoLeaf of \$1,600,000 (the "Pre-Closing Loan") to settle outstanding liabilities of NanoLeaf prior to completion of the acquisition, for total deemed consideration of \$40,100,000. The transaction is expected to be completed by the end of September 2017.

In connection with the entry into the Share Purchase Agreement, Dr. James Hyssen, President and Chief Executive Officer of NanoLeaf, will be appointed as Chief Operating Officer ("COO") of Maricann. Terry Fretz, the current COO of Maricann, will move to the position of President.

Item 5. Full Description of Material Change:

On August 22, 2017, Maricann entered into a Share Purchase Agreement with the holders of all of the issued and outstanding shares in the capital of NanoLeaf, a biotech company incorporated under the laws of Canada possessing licensing rights to a number of globally patented technologies that provide proven pharmaceutical, nutraceutical, cosmetic and functional beverage drug delivery formulations. NanoLeaf, through its licensing agreement with Vesifact AG, has developed and marketed the first cannabinoid standardized dose soft gel capsule in a nano-dispersed drug called Vesisorb. Pursuant to the Share Purchase Agreement, Maricann will acquire all of the outstanding shares of NanoLeaf for

\$38,500,000 (to be paid by the issuance of Maricann common shares), plus a pre-closing loan to NanoLeaf of \$1,600,000 to settle outstanding liabilities of NanoLeaf prior to completion of the acquisition, for total deemed consideration of \$40,100,000. The transaction is expected to be completed by the end of September 2017.

The \$38,500,000 consideration for the acquisition of the NanoLeaf shares will be satisfied initially by the issuance to the Vendors of 18,333,333 Maricann common shares in aggregate (reflecting an issuance price of \$2.10 per share) (the "Closing Shares"). Under the terms of the Share Purchase Agreement, the number of Maricann shares issued to NanoLeaf shareholders is subject to adjustment in certain circumstances following closing. If, on the date that is 179 days post-closing (the "Adjustment Calculation Date"), the volume weight average price of Maricann's common shares for the preceding 20-day period (the "Adjustment VWAP") is less than \$2.10, then Maricann will issue incremental shares to the Vendors ("Adjustment Shares") in accordance with the following formula: $(\$38,500,000 / \text{Adjustment VWAP}) - \text{the number of Closing Shares issued}$. The Adjustment VWAP is subject to a minimum of \$1.40, resulting in a maximum number of Adjustment Shares issuable of 9,166,667. The Adjustment Calculation Date will be accelerated should Maricann announce a change of control before the scheduled Adjustment Calculation Date.

The Transaction is conditional on NanoLeaf using the Pre-Closing Loan to satisfy all of its outstanding and accrued liabilities such that NanoLeaf is cash-free and debt-free upon closing, the receipt of a written confirmation from Vesifact AG and the termination by NanoLeaf of a consulting agreement, as well as the satisfaction of other customary closing conditions.

Maricann has engaged Eight Capital to act as its financial advisor in connection with the Transaction. Eight Capital provided an opinion to the Board of Directors of Maricann that, as of the date of the Share Purchase Agreement, the consideration to be paid by Maricann under the Transaction is fair, from a financial point of view, to Maricann.

In connection with the entry into the Share Purchase Agreement, Dr. James Hyssen, President and Chief Executive Officer of NanoLeaf, will be appointed as COO of Maricann. Dr. Hyssen possesses an accomplished background as the co-founder of Douglas Laboratories Canada, a globally recognized manufacturer of specialized nutraceuticals. Dr. Hyssen will lead the company's operations as it expands its product offering globally through multiple recognized distribution channels. Terry Fretz, current COO of Maricann, will move to the position of President, focusing effort on development of the company's initiatives in the Pharmaceutical sector and expansion of the company's global footprint.

The foregoing discussion of the terms of the Share Purchase Agreement is only a summary and does not purport to be complete. References to the terms of the Share Purchase Agreement are subject to, and qualified in their entirety by, reference to the Share Purchase Agreement. A copy of the Share Purchase Agreement is available under Maricann's profile on SEDAR at www.sedar.com.

Item 6. Reliance of Section 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7. Omitted Information:

Not applicable.

Item 8. Executive Officer:

Shawn Alexander
VP Investor Relations
Maricann Group Inc.

Tel: (289) 288-6284
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Item 9. Date of Report:

September 1, 2017

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this document, including statements with respect to the proposed acquisition of NanoLeaf Technologies Inc. and the timing thereof, contain forward-looking statements which can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “desires”, “will”, “should”, “projects”, “estimates”, “contemplates”, “anticipates”, “intends”, or any negative such as “does not believe” or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including those discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of Maricann with respect to future events, and are based on information currently available to Maricann and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond management’s control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. There can be no assurance that the proposed transaction will occur or that the anticipated strategic benefits will be realized. The proposed transaction could be modified, restricted or terminated. Factors which could cause results or events to differ from current expectations include, among other things: the satisfaction of the conditions to closing the acquisition; whether the consideration is adjusted pursuant to the terms of the share purchase agreement; fluctuations in operating results; the impact of general economic, industry and market conditions; the ability to recruit and retain qualified employees; fluctuations in cash flow; increased levels of outstanding debt and obligations under a capital lease; expectations regarding market demand for particular products and the dependence on new product development; the impact of market change; and the impact of price and product competition. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

SCHEDULE A



Maricann Group Inc. Announces Acquisition of NanoLeaf Technologies Inc., Appoints New President and Chief Operating Officer

TORONTO, Ontario, Aug. 22, 2017 – Maricann Group Inc. (CSE:MARI) (“Maricann” or the “Company”) announced today that it has entered into an agreement (“Acquisition Agreement”) to acquire 100% of the issued and outstanding shares of NanoLeaf Technologies Inc. (“NanoLeaf”), a biotech company possessing licensing rights to a number of globally patented technologies that provide proven pharmaceutical, nutraceutical, cosmetic and functional beverage drug delivery formulations. The transaction is expected to be completed by the end of September 2017.

NanoLeaf, through its licensing agreement with Vesifact, has developed and marketed the first cannabinoid standardized dose soft gel capsule in a nano-dispersed drug called Vesisorb. The challenge the cannabis industry has faced is finding a predictable delivery mechanism of cannabinoids in an oral dosing format. Cannabinoids are a fat-soluble compound that have low solubility, leading to low dissolution rates and significant first-pass liver metabolism resulting in low and unpredictable oral cannabinoid bioavailability. This poor solubility not only gives low oral bio-availability but also leads to high inter- and intra-subject variability and lack of dose proportionality.

Strategic Rationale

- **Patented, Proven Technology used by Large Global Companies** - the portfolio of patents and proven technology has been developed and commercialized globally, and is licensed by world leading pharmaceutical and cosmetic companies to be used in nutraceutical products and topicals
- **Exclusive License for Significant Jurisdictions** - Maricann, through the acquisition of NanoLeaf, will obtain the exclusive rights for Canada, Europe, South America (excluding Uruguay), Israel and Australia. Maricann will also obtain certain non-exclusive rights for the rest of the world (excluding the United States), and certain states within the United States
- **Strengthens Pipeline of Differentiated Products** - the company anticipates that the technology will not only strengthen its position in the oils and capsules market, but also areas such as cannabinoid based functional beverages and topicals, given the consistent, fast onset, high bio-availability product

Pursuant to the Acquisition Agreement, NanoLeaf shareholders will receive C\$38.5 million in consideration for their NanoLeaf shares, to be satisfied by delivery of approximately 18.3 million common shares of Maricann (the “Closing Shares”) at a deemed value of \$2.10 per share (subject to adjustment as described below). Maricann will also loan NanoLeaf C\$1.6 million in cash to settle existing liabilities of NanoLeaf in advance of completing the acquisition, resulting in deemed total transaction consideration of C\$40.1 million.

The number of shares issued to NanoLeaf shareholders is subject to adjustment in certain circumstances following closing, including if, on the date that is 179 days post-closing (the “Adjustment Calculation Date”), the volume weight

average price of Maricann common shares for the preceeding 20-day period (the "Adjustment VWAP") is less than \$2.10, the Company will issue incremental shares to NanoLeaf ("Adjustment Shares") in accordance with the following formula:

$(C\$38.5 \text{ million} / \text{Adjustment VWAP}) - \text{Number of Closing Shares issued}$.

The Adjustment VWAP is subject to a minimum of \$1.40 per Maricann share resulting in a maximum number of Adjustment Shares of approximately 9.2 million. The Adjustment Calculation Date will be accelerated should Maricann announce a change of control before the Adjustment Calculation Date. For more information on the terms of the acquisition, please refer to the Share Purchase Agreement between Maricann and the NanoLeaf shareholders date August 21, 2017, which will be filed under Maricann's profile on www.sedar.com.

Vesisorb, a patented cannabinoid drug delivery technology developed at the Zurich Institute of Technology and formulated and manufactured under Good Manufacturing Practices and Food and Drug Administration standards in Baar Switzerland, is a proven nano-dispersion technology used in the pharmaceutical, nutraceutical and cosmetic industries, that will improve the water solubility and ultimately, bioavailability of lipophilic drugs (cannabinoids). The technology does not change the molecular structure of cannabinoids.

Vesisorb has shown very strong properties from thermodynamic stability (long shelf life), easy formation (zero interfacial tension and almost spontaneous formation), optical isotropy, high surface area (high solubilization capacity), very small droplet size, standardized dosages, high concentration of bioactive cannabinoids, increased absorption and bioavailability. The small droplets also provide better adherence to membranes and transport drug molecules in a controlled fashion. The key for health care professionals and the pharmaceutical industry is to provide a more efficacious cannabinoid therapy through predictable meter dosing with no delayed onsets and fast absorption.

In connection with the agreement to acquire NanoLeaf, Dr. James Hyssen will be appointed as Chief Operating Officer of Maricann Group Inc. upon signing. Dr. Hyssen possesses an accomplished background as the co-founder of Douglas Laboratories Canada, a globally recognized manufacturer of specialized nutraceuticals. Dr. Hyssen will lead the company's operations as it expands its product offering globally through multiple recognized distribution channels. Terry Fretz, current COO will move to President of the company, focusing effort on development of the company's initiatives in the Pharmaceutical sector, and expansion of the company's global footprint.

"The acquisition of NanoLeaf Technologies Inc. will significantly enhance Maricann's growth trajectory by expanding our product portfolio, delivering access to new markets, and strengthening our pipeline of future products, making us leaders in the drug delivery of cannabinoids" said Ben Ward, CEO of Maricann. "Health Care Professionals are comfortable with traditional drug delivery systems, and patients understand how to use them."

Eight Capital is acting as financial advisor and Blake, Cassels & Graydon LLP is acting as legal counsel to Maricann. Cassels, Brock & Blackwell LLP is acting as legal counsel to NanoLeaf and its shareholders.

About Maricann Group Inc.

Maricann is a vertically integrated producer and distributor of marijuana for medical purposes. The company was founded in 2013 and is based in Toronto, Canada and Munich, Germany, with production facilities in Langton, Ontario, Canada where it operates a medicinal cannabis cultivation, extraction, formulation and distribution business

under federal licence from the Government of Canada. and Dresden, Saxony, Germany. Maricann is currently undertaking an expansion of its cultivation and support facilities in Canada in a fully funded 217,000 sq. ft. (20,159 sq. m) build out, to support existing and future patient growth.

For more information about Maricann please visit our website at www.maricann.ca

Forward Looking Information

Certain statements in this document, including statements with respect to the proposed acquisition of NanoLeaf Technologies Inc. and the timing thereof, contain forward-looking statements which can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements necessarily involve risks and uncertainties, including those discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to future events, and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond Management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. There can be no assurance that the proposed transaction will occur or that the anticipated strategic benefits will be realized. The proposed transaction could be modified, restricted or terminated. Factors which could cause results or events to differ from current expectations include, among other things: the satisfaction of the conditions to closing the acquisition; whether the consideration is adjusted pursuant to the terms of the share purchase agreement; fluctuations in operating results; the impact of general economic, industry and market conditions; the ability to recruit and retain qualified employees; fluctuations in cash flow; increased levels of outstanding debt and obligations under a capital lease; expectations regarding market demand for particular products and the dependence on new product development; the impact of market change; and the impact of price and product competition. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

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