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Maricann Provides Update on Financing, NanoLeaf Acquisition and Other Matters

TORONTO, Ontario, October 19, 2017 – Maricann Group Inc. (CSE:MARI, OTCQB:MRRCF, FRANKFURT:75M, “Maricann” or the “Company”) announces that insiders of the Company have agreed to purchase \$7,000,000 of convertible debenture units (the “Convertible Debenture Units”) in its previously announced private placement offering (the “Offering”). Convertible Debentures to be sold to insiders as part of the Offering aggregating \$6,000,000 in principal amount will be subject to a higher conversion price of \$1.68. There is no certainty that the Offering will be completed.

NanoLeaf Acquisition

Subsequent to its August 22, 2017 news release, Maricann has been working with NanoLeaf Technologies (“NanoLeaf”) to determine whether the VESIsorb technology licensed from Vesifact AG (“Vesifact”), the producer of VESIsorb, is compatible with both THC and non-THC cannabinoid products. While they have not yet been able to conduct the testing required to confirm VESIsorb’s compatibility, Vesifact has indicated that it will, at Maricann’s expense, take the steps necessary to complete the testing following closing. There can be no assurances that the testing will be successful or that Maricann will receive the expected benefits from the NanoLeaf transaction. The closing of the NanoLeaf acquisition is expected to occur concurrently with the closing of the Offering. There is no certainty that the NanoLeaf acquisition will be completed.

Operational Update

Maricann reports that it has experienced a construction delay in the flowering area of the expansion of its facility in Langton, Ontario caused by ground water encountered during the build. The construction delay is expected to result in out of pocket costs of approximately \$765,000, a 2.47% overage for the Phase 1 Expansion. The construction delay in the flowering area will cause production from that portion of the project to be delayed by a maximum of 65 days due to Province of Ontario Ministry of the Environment permits required. The rest of the project remains on track and on budget, with mothering, cloning, and vegetation areas not affected and able to commence on schedule. With the mothering, cloning and vegetative areas unaffected, the Company believes it will still meet its first production target from its expansion in Q2 2018.

The Company is continuing to work towards obtaining the previously announced \$15 million in proceeds from a vendor financing for infrastructure and equipment, which are anticipated to be used to expand the Company’s production capacity. The closing date for such vendor financing has not been determined and there is no certainty that such vendor financing will be completed.

Leave of Absence of the CEO

The Company also announces that Mr. Ben Ward, its Chief Executive Officer, has taken a leave of absence until November 13, 2017, to address a personal health issue. Mr. Terry Fretz, the Company's President, has assumed the duties that Mr. Ward is not able to perform on an interim basis, through the duration of Mr. Ward's leave.

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 where the company has an option to purchase the Ebersbach facility. Maricann is currently undertaking an expansion of its cultivation and support facilities in Canada in a 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

The securities being offered pursuant to the Offering have not been, nor will they be, registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Forward Looking Information

Certain statements in this document, including statements with respect to the size of the Offering, the anticipated closing of the Offering, the size of the Insider Participation, the anticipated closing of the NanoLeaf acquisition, the testing of the Vesifact technology, the anticipated benefits of the NanoLeaf acquisition, and the anticipated impact of the construction delay, 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. Factors which could cause results or events to differ

from current expectations include, among other things: 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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The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.