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Maricann Group Inc. Announces Closings of \$31 Million Private Placement and NanoLeaf Acquisition

TORONTO, Ontario, October 27, 2017 – Maricann Group Inc. (CSE:MARI, OTCQB:MRRCF, FRANKFURT:75M, “Maricann” or the “Company”) is pleased to announce the closing of its previously announced (i) private placement offering (the “Offering”) of convertible debenture units (the “Convertible Debenture Units”) to raise \$31 million; and (ii) acquisition (the “Acquisition”) of 100% of the issued and outstanding shares of NanoLeaf Technologies Inc. (“NanoLeaf”), a biotech company with licensing rights to patented nano-technology for ingestible cannabinoid delivery called VESIsorb®.

The Offering

Pursuant to the Offering, the Company sold \$31 million aggregate principal amount of Convertible Debenture Units at a price of \$1,000 per Convertible Debenture Unit. Each Convertible Debenture Unit consists of \$1,000 principal amount of 9.0% secured convertible debentures (the “Convertible Debentures”) and 313 common share purchase warrants (the “Warrants”) of the Company. Each Warrant is exercisable to acquire one common share of the Company (a “Warrant Share”) at an exercise price of \$2.30 per Warrant Share (the “Exercise Price”) until October 27, 2020, subject to adjustment in certain events.

\$9,123,000 of the Offering gross proceeds was raised from the participation of a number of the Directors of the Company or their associates. Convertible Debentures sold to insiders as part of the Offering, aggregating \$6,000,000 in principal amount, are subject to a higher conversion price of \$1.68, subject to adjustment in certain events. The remaining \$25,000,000 principal amount of the Convertible Debentures have a conversion price of \$1.60, subject to adjustment in certain events.

Canaccord Genuity Corp. acted as lead agent in connection with the Offering on behalf of a syndicate of investment dealers, including Industrial Alliance Securities, Mackie Research Capital Corporation and Sprott Capital Partners (collectively, the “Agents”). In connection with the Offering, the Agents received a cash commission and compensation warrants.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months and one day, expiring on February 28, 2018.

In connection with the Offering, Maricann has agreed to increase the size of its board to facilitate the nomination of two independent directors commencing at its next annual meeting of shareholders. A lead investor in the Offering has been granted a right to nominate one of the independent directors for election on the board of the Company, which right will survive until the

earlier of (i) the maturity date of the Convertible Debentures, and (ii) such time as the lead investor does not, directly or indirectly, hold a minimum of \$1,000,000 principal amount of Convertible Debentures.

The Acquisition

Maricann announced on August 22, 2017 that it had entered into an agreement to purchase 100% of NanoLeaf, a biotech company with licensing rights to patented nano-technology for ingestible cannabinoid delivery called VESIsorb®. Maricann intends to work with Vesifact AG, the producer of VESIsorb®, to apply the VESIsorb® technology to Maricann's products.

"VESIsorb® is a proprietary delivery system which improves solubility and absorption in other fat soluble pharmaceuticals and nutraceuticals. We believe further testing will indicate the same improvement in absorption for cannabinoids, and that the VESIsorb® technology will form the core element of our advanced cannabinoid delivery platform" said Ben Ward, Maricann's CEO. "We are therefore very pleased to incorporate NanoLeaf and its team into Maricann as we position ourselves to capitalize on increased consumer appetite for ingestible cannabis while also creating a better brand, all with the goal of enhancing shareholder value."

In connection with the Acquisition, NanoLeaf shareholders received \$38.5 million in consideration for their NanoLeaf shares, 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 also loaned NanoLeaf \$1.6 million in cash to settle existing liabilities of NanoLeaf in advance of completing the Acquisition, resulting in deemed total transaction consideration of \$40.1 million.

The number of common shares issued to NanoLeaf shareholders in connection with the Acquisition 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 preceding 20-day period (the "Adjustment VWAP") is less than \$2.10, the Company will issue incremental shares to the NanoLeaf vendors ("Adjustment Shares") in accordance with the following formula:

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

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. For more information on the terms of the acquisition, please refer to the Share Purchase Agreement between Maricann and the NanoLeaf shareholders dated August 21, 2017, which has been filed under Maricann's profile on www.sedar.com.

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.

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 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 use of the VESIsorb® technology with Maricann's products, 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, including that Maricann will receive the expected benefits from the NanoLeaf transaction. 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 apply the VESIsorb® technology to cannabinoids; 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.