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Maricann Group Inc. Announces Closing of \$40 Million Private Placement

TORONTO, Ontario, January 9, 2018 – Maricann Group Inc. (CSE:MARI, OTCQB:MRRCF, FRANKFURT:75M, “**Maricann**” or the “**Company**”) is pleased to announce the closing of its previously announced private placement offering (the “**Offering**”) of special warrants (the “**Special Warrants**”) for aggregate gross proceeds of \$40,250,000. Eight Capital, as sole bookrunner and co-lead agent with Canaccord Genuity Corp., and together with Industrial Alliance Securities Inc. (the “**Agents**”), acted as the agents in connection with the Offering. The aggregate gross proceeds of the Offering includes the full exercise of the over-allotment option granted to the Agents in connection with the Offering.

Pursuant to the Offering, the Company issued 20,125,000 Special Warrants, at a price of \$2.00 per Special Warrant. Each Special Warrant is automatically exercisable, for no additional consideration, into units of the Company (the “**Units**”) on the earlier of: (i) the date that is three business days following the date on which the Company obtains receipt from the applicable securities regulatory authorities (the “**Securities Commissions**”) for a (final) prospectus (the “**Qualifying Prospectus**”) qualifying distribution of the Units issuable upon exercise of the Special Warrants; and (ii) May 10, 2018.

Upon automatic exercise of the Special Warrants, each Unit shall consist of one common share of the Company (each, a “**Common Share**”) and one-half of one common share purchase warrant of the Company (each full common share purchase warrant, a “**Warrant**”). Each Warrant will be exercisable to acquire one Common Share at a price of \$2.35 per Common Share until January 9, 2021, subject to adjustment in certain events.

Pursuant to the terms of the Offering, the Company has agreed to use its commercially reasonable efforts to obtain a receipt from the Securities Commissions for the Qualification Prospectus before February 27, 2018; provided, however, that there is no assurance that a Qualification Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period on May 10, 2018. In the event the Company has not received a receipt from the Securities Commissions for the Qualifying Prospectus before February 27, 2018, each unexercised Special Warrant will thereafter entitle the holder to receive, upon the exercise thereof, for no additional consideration, 1.05 Units (instead of one (1) Unit) (the additional 0.05 Units are collectively referred to herein as the “**Penalty Units**”); provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit.

Insiders of the Company or their associates participated in the Offering for an aggregate amount of \$929,500.

In connection with the Offering, the Agents received a cash commission and 935,950 compensation warrants (the “**Compensation Warrants**”). Each Compensation Warrant entitles the holder thereof to acquire one Unit at a price of \$2.00 per Unit until January 9, 2020, subject to adjustment in certain events.

Prior to the filing of the Qualifying Prospectus and the automatic exercise of the Special Warrants, the securities issued under the Offering will be subject to a four month hold period from the date of closing of the Offering, expiring on May 10, 2018.

The net proceeds from the Offering will be used for facility expansion, working capital and general corporate purposes. The Company intends to continue to expand operations at its Langton, Ontario property by adding 630,000 sq. ft. of greenhouse space. This expansion is in addition to its current 44,000 existing operations and its fully funded 217,000 sq. ft production facility, including a natural gas co-generation facility to produce 2.9 MW of electricity, 3,406,000 litre water cistern, boilers for ambient and water heating, and CO2 scrubbing equipment to provide additional CO2 for plants. Upon completion of the full expansion, the Company anticipates that annual production capacity will be in excess of 95,000 kg/year from 891,000 sq. ft. of combined operations. The Company’s new cultivation facility will employ 26 people, making use of industrial automation in partnership with Rockwell Automation in an effort to ensure optimal operational efficiency, leading to low cost production.

Correction to December 12, 2017 Press Release

The Company has been made aware that a statement in the Company’s December 12, 2017 press release relating to the Company’s agreement with Lovell Drugs was incorrect. The statement at issue was as follows: “Lovell Drugs has already commenced distribution of Maricann cannabis products to its patients, with the first prescription registered and fulfilled on December 1st, 2017.” In fact, it was not a prescription that was registered and fulfilled on December 1st, 2017 but rather a patient registration that was completed on such date. The remaining text of the December 12, 2017 press release was correct.

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 847,000 sq. ft. (78,688 sq. m) build out, capable of producing 95,000 kg of dry cannabis flower per year 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 Offering, 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 the Offering and 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.