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Maricann Group Inc. Announces Private Placement of $35 Million of Convertible Debenture Units

TORONTO, Ontario, Aug. 22, 2017 – Maricann Group Inc. (CSE:MARI) ("Maricann" or the "Company") announced today that it has entered into an agreement with Canaccord Genuity Corp., as lead agent on behalf of a syndicate of investment dealers, including Industrial Alliance Securities Inc., Mackie Research Capital Corporation and Sprott Capital Partners (collectively, the "Agents") pursuant to which the Company will issue on a private placement basis up to $35,000,000 aggregate principal amount of convertible debenture units (the "Convertible Debenture Units") at a price of $1,000 per Convertible Debenture Unit. Each Convertible Debenture Unit will consist of $1,000 principal amount of 9.0% secured convertible debentures (the "Convertible Debentures") and 278 common share purchase warrants (the "Warrants") of the Company (the "Offering"). Each Warrant will be exercisable to acquire one common share of the Company (a "Warrant Share") for a period of three years following the Closing Date (as hereinafter defined) of the Offering at an exercise price of $2.60 per Warrant Share, subject to adjustment in certain events.

Pursuant to the terms of the offering, the Agents have been granted an option to arrange for the sale of up to $3,500,000 of additional Convertible Debenture Units, which option is exercisable by the Agents at any time up until 8:00 a.m. (Eastern time) on the date prior to the Closing Date (as hereinafter defined).

"We can now expand fully funded production capacity by an additional 35,000 kg per year, to a total of 57,245 kg, including current operations and expansion underway of 20,245 kg.," said Ben Ward, CEO of Maricann. "We need to move forward now, so we can have sufficient product to supply our joint initiative pharmacy partners and their forecasted future demand."

The Convertible Debentures will bear interest from the Closing Date at 9.0% per annum, payable semi-annually in arrears on the last day of August and February in each year, commencing February 28, 2018. The Convertible Debentures will mature on August 31, 2020 (the "Maturity Date").

The Convertible Debentures will be convertible at the option of the holder into common shares of the Company (the "Common Shares") at any time prior to the close of business on the Maturity Date. Subject to the approval of the Canadian Securities Exchange ("CSE"), the Convertible Debentures will be convertible into Common Shares at a conversion price of $1.80 per common share (the "Conversion Price"). Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon, up to, and including, the date of conversion.

Upon a change of control of the Company, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the change of control, at a price equal to 104% of the principal amount of the Convertible Debentures then outstanding plus accrued and unpaid interest thereon up to and including the date of redemption (the “Offer Price”). If 90% or more of the principal amount of the Convertible Debentures outstanding on the date of the notice of the change of control have been tendered for redemption, the Company will have the right to redeem all of the remaining Convertible Debentures at the Offer Price.

Closing of the Offering is expected to occur on or about September 15, 2017 (the “Closing Date”). The Offering is in the form of a best efforts private placement (i) in Canada to “accredited investors” within the meaning of National Instrument 45-106 and other exempt purchasers in each province of Canada, as agreed upon by the Issuer and the Agents, (ii) in the United States only to Qualified Institutional Buyers (within the meaning of Rule 144A) and/or Accredited Investors (within the meaning of Rule 501(a) of Regulation D) pursuant to available exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and in each case in compliance with the securities laws of the applicable States of the United States and (iii) outside Canada and the United States on a basis which does not require the qualification or registration of any of the Debentures or the Issuer.

The securities being offered have not been, nor will they be, registered under the United States 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 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 Offering and Closing Date and use of proceeds 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. 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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