



Maricann Group Announces Closing of Previously Announced Private Placement Raising Gross Proceeds of \$37.4 Million

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TORONTO, Aug. 10, 2018 -- Maricann Group Inc. (CSE:MARI) (Maricann or the "Company") announced today that it has closed its previously disclosed private placement of special warrants ("**Special Warrants**") at a price of \$1.60 per Special Warrant raising gross proceeds of approximately \$37.4 million (the "**Offering**"). Canaccord Genuity Corp. and GMP Securities L.P., acted as joint bookrunners and co-lead agents (together, the "**Agents**") to the Offering.

Each Special Warrant is automatically exercisable (without payment of any further consideration) into units of the Company (the "**Units**") on the date that is the earlier of: (i) the date that is three business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities in the Province of Ontario and each of the jurisdictions in Canada in which the Special Warrants are sold (collectively, the "**Securities Commissions**") for a (final) prospectus qualifying the distribution of the Units issuable upon exercise of the Special Warrants (the "**Qualification Prospectus**") and (ii) the date that is four months and one day after the Closing Date (as hereinafter defined), subject to adjustment in certain events. In the event the Company has not received a receipt from the Securities Commissions for the Qualifying Prospectus before October 4, 2018, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise thereof, at no additional consideration, 1.05 Units (instead of one Unit).

Each Unit consists of one common share of the Company (a "**Common Share**") and one common share purchase warrant of the Company (a "**Warrant**"). Each Warrant is exercisable to acquire one common share of the Company (a "**Warrant Share**") for a period of two years following the Closing Date at an exercise price of \$1.75 per share, subject to adjustment in certain events. The Company may accelerate the expiry date of the Warrants on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or such other exchange on which the Common Shares may trade) be greater than \$2.00 for any 10 consecutive trading days.

The net proceeds from the Offering will be used for working capital and general corporate purposes.

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.

All securities issued will be subject to a four month hold period subject to the Company obtaining a receipt for the Qualification Prospectus prior thereto.

In connection with the completion of the Offering, two officers entered into securities lending agreements pursuant to which they lent (together, the "**Loans**") two of the subscribers in the Offering an aggregate of 2,708,000 freely-tradeable common shares (the "**Loaned Shares**") until the date that is four months and one day following closing of the Offering (the "**Securities Lending**"). As collateral for the Securities Lending, the borrowers of the Loaned Shares have pledged a total of 2,708,000 Special Warrants which they acquired in connection with the Offering. In connection with the provision of the Loans, the Company has agreed to pay the officers an aggregate fee in an amount equal to \$216,640, to be allocated between such officers pro rata based on the number of Loaned Shares lent by each of them pursuant to the Securities Lending.

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 Burlington, Ontario, Canada and Munich, Germany, with production facilities in Langton, Ontario where it operates a medicinal cannabis cultivation, extraction, formulation and distribution business under federal licence from the Government of Canada. The Company also has production operations in Dresden, Saxony, Germany and Regensdorf, Switzerland. Maricann is currently undertaking an expansion of its cultivation and support facilities in Canada in a 942,000 sq. ft. (87,515 sq. m) and will continue to pursue new opportunities in Europe.

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.

Contact information:

Investor Relations
Graham Farrell
Director of Investor Relations
graham@maricann.com
647-643-7665

Corporate Headquarters (Canada)
Maricann Group Inc. (Toronto)
845 Harrington Court, Unit 3
Burlington Ontario L7N 3P3
Canada
289-288-6274

European Headquarters (Germany)
Maricann GmbH
Thierschstrasse 3, 80538 Munchen, Deutschland