

February 28, 2017



iAnthus Closes C\$20 Million Offering

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iAnthus Capital Holdings, Inc., (CSE: IAN) ("**Company**"), is pleased to announce the closing of its bought deal private placement for aggregate gross proceeds of C\$20 million (the "**Offering**").

Pursuant to the Offering, the Company issued a total of C\$20 million of 8.0% unsecured convertible debentures (the "**Debentures**"). The 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 February 28, 2019 at a conversion price of C\$3.10 per Common Share (the "**Conversion Price**"), subject to adjustment and acceleration in certain events. Beginning on June 29, 2017, the Company may force the conversion of all of the principal amount of the then outstanding Debentures at the Conversion Price on 30 days prior written notice should the daily volume weighted average trading price of the Common Shares be greater than C\$4.50 for any 10 consecutive trading days.

For further details on the Offering, please refer to the Company's news releases dated February 6 and 7, 2017.

The Company intends to use the net proceeds of the Offering to fund the credit facility with The Green Solution LLC and for general corporate and working capital purposes.

The syndicate for the Offering was led by Canaccord Genuity Corp. and included Beacon Securities Limited.

All securities issued pursuant to the Offering are subject to a statutory four month hold period in accordance with Canadian securities law.

Hadley Ford, Chief Executive Officer of iAnthus, stated: "In our view, the opportunities for financing leading cannabis operators in the United States is very strong. This offering further strengthens our balance sheet to meet that demand." Mr. Ford added: "As Canadian investors begin to look south of the border for growth opportunities, we believe that we are very well positioned as a well-diversified portfolio across cannabis operators, geographies, and regulated recreational and medical markets."

About iAnthus Capital Holdings

iAnthus Capital Holdings, Inc., through its 100% owned subsidiary, iAnthus Capital Management, LLC, delivers a comprehensive solution for financing and managing licensed cannabis cultivators, processors and dispensaries throughout the United States, in

accordance with applicable state law. Founded by entrepreneurs with decades of experience in investment banking, corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. The Company harnesses these skills to support a diversified portfolio of cannabis industry investments for our shareholders, including direct equity investments in for-profit license holders and associated management and intellectual property holding companies, and lending facilities coupled with management services to not-for-profit license holders. For more information, visit www.ianthuscapital.com.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in iAnthus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including statements related to the use of the net proceeds of the Offering and other statements of fact.

Although iAnthus has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal laws; change in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. iAnthus disclaims any intention or obligation to update or revise such information, except as required by applicable law, and iAnthus does not assume any liability for disclosure relating to any other company mentioned herein.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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