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iAnthus Announces Closing of Incremental US\$25.0 Million Private Placement of Unsecured Convertible Note Units

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NEW YORK, May 2, 2019 /CNW/ - [iAnthus Capital Holdings, Inc.](#) ("iAnthus" or the "Company") (CSE: IAN) (OTCQX: ITHUF), which owns, operates, and partners with best-in-class regulated cannabis operations across the United States, is pleased to announce that it has completed the private placement offering of an incremental US\$25.0 million of unsecured convertible notes and corresponding warrants (the "Offering"), as an add-on to the private placement offering of US\$35 million convertible note units announced on March 18.

The Company has issued units consisting of US\$25.0 million aggregate principal amount of unsecured convertible notes, maturing on March 15, 2023 (the "Notes") and 1,555,207 warrants ("Warrants") to purchase common shares of the Company ("Common Shares").

The Notes accrue interest at the rate of 8% per annum, payable quarterly, which may, at the Company's option, be paid up to 50% in common shares of the Company ("Common Shares") for two years following closing. The Notes are convertible into an aggregate of 4,222,971 Common Shares at US\$5.92 per Common Share. At any time following September 1, 2019, iAnthus may force the conversion of the Notes into Common Shares if the daily volume weighted average trading price of the Common Shares on the OTCQX is greater than US\$10.29 for any ten consecutive trading days. Each Warrant entitles the holder thereof to acquire one Common Shares at an exercise price of US\$6.43 per Common Share until March 15, 2022.

The Company has agreed to pay finders and structuring fees of US\$0.4M in connection with the transaction, a portion of which the Company will satisfy through the issuance of 15,548 Common Shares.

Following the transaction, iAnthus' cash balance will be approximately US\$55 million, and the Company has a total of 168,723,343 basic shares and 241,241,494 fully diluted shares outstanding, respectively.

The Notes and Warrants issued pursuant to the Offering and any Common Shares issued on conversion of the Notes or exercise of the Warrants are subject to a statutory hold period in Canada of four months and one day following the closing date in accordance with applicable securities laws, which shall expire on September 1, 2019. Additional resale restriction may be applicable under the laws of other jurisdictions, if any.

About iAnthus Capital Holdings, Inc.

iAnthus Capital Holdings, Inc. owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the United States, providing investors diversified exposure to the U.S. regulated cannabis industry. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and health care services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. iAnthus currently has operations in 11 states, and operates 21 dispensaries (AZ-4, MA-1, MD-3, FL-3, NY-2, CO-1, VT-1 and NM-6 where iAnthus has minority ownership). 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, our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including the use of proceeds from the Offering, dispensary locations, facility build-outs, and other statements of fact.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

SOURCE iAnthus Capital Holdings, Inc.

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