IANTHUS CAPITAL HOLDINGS, INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2017 and 2016

(Unaudited)

iAnthus Capital Holdings, Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in U.S. Dollars)
(Unaudited)

	Note	March 31, 2017	December 31, 2016
ASSETS			
Current Assets:			
Cash		$ 16,146,395	$ 9,413,953
Receivables and prepaid expenses		353,991	171,811
Due from related parties	16	110,202	108,297
Receivable related to business combination	6	275,175	275,175
Promissory notes receivable	10	4,516,417	99,647
		21,402,180	**10,068,883**
Non-current Assets:			
Promissory note receivable	10	500,352	450,353
Loans receivable	9	3,062,152	2,131,432
Due from related parties	16	616,178	409,531
Property, plant and equipment	7	2,442,593	1,961,131
Investment in associate	8	2,431,290	2,407,388
Investment in 4Front Ventures, Inc.	11	99,969	99,969
Intangible assets	6, 7	361,223	430,000
Goodwill	6	1,998,311	1,998,311
TOTAL ASSETS		**$ 32,914,248**	**$ 19,956,998**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable and accrued liabilities		$ 783,185	$ 506,678
Due to related parties	16	-	318,194
Derivative liability	12	923,160	889,992
		1,706,345	**1,714,864**
Non-current Liabilities:			
Long term debt	12	13,337,991	735,324
Interest payable	12	100,173	-
Total Liabilities		**15,144,509**	**2,450,188**
Shareholders' Equity:			
Share capital	15	19,344,992	19,310,097
Reserves		6,992,257	4,887,370
Accumulated deficit		(8,654,387)	(6,762,718)
Accumulated other comprehensive income		86,877	72,061
Total Shareholders' Equity		**17,769,739**	**17,506,810**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 32,914,248**	**$ 19,956,998**

Going concern (Note 2)
Commitments (Note 17)

Approved on behalf of the Board:

"Hadley Ford"
Director

"Julius Kalcevich"
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

iAnthus Capital Holdings, Inc.

Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss

(Expressed in U.S. Dollars, except share amounts)

(Unaudited)

	Note		*Three months ended* March 31, 2017		March 31, 2016
Revenues:					
Management fee income		$	24,373	$	12,308
Investment income			65,817		-
Interest income			240,159		22,576
Total revenues			**330,349**		**34,884**
Operating expenses:					
Depreciation and amortization	**7**		97,414		-
Administrative and other expenses			455,802		118,204
Wages and salaries			364,585		-
Share-based compensation	**15**		328,044		90,844
Legal and professional fees			259,183		112,575
Consulting fees			417,253		243,367
Foreign exchange loss			229		-
Total operating expenses			**1,922,510**		**564,990**
Other items:					
Interest expense	**12**		(126,368)		(5,479)
Gain on investment in associate	**8**		23,902		-
Accretion expense	**12**		(163,874)		-
Change in fair value of derivative liability	**12**		(33,168)		-
Total other items			**(299,508)**		**(5,479)**
Net Loss		**$**	**(1,891,669)**	**$**	**(535,585)**
Other comprehensive loss					
Foreign exchange gain on translation			14,816		-
Comprehensive Loss		**$**	**(1,876,853)**	**$**	**(535,585)**
Loss per share - basic and diluted		**$**	**(0.07)**	**$**	**(0.04)**
Weighted average number of common shares outstanding - basic and diluted			**27,233,079**		**12,636,119**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

iAnthus Capital Holdings, Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in U.S. Dollars, except share amounts)

(Unaudited)

	Number of Shares (Common)	Number of Shares (Class A)	Share Capital	Option Reserves	Warrant Reserves	Convertible Debentures Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Shareholders' Equity
			$	$	$	$	$	$	$
Balance – January 1, 2016	**-**	**12,244,515**	**1,957,393**	**164,306**	**-**	**-**	**-**	**(1,706,986)**	**414,713**
Private placement	-	604,000	742,500	-	-	-	-	-	742,500
Share issuance costs	-	-	(41,101)	-	-	-	-	-	(41,101)
Share-based compensation	-	-	-	90,844	-	-	-	-	90,844
Warrants issued on promissory notes	-	-	-	-	86,550	-	-	-	86,550
Loss for the period	-	-	-	-	-	-	-	(535,585)	(535,585)
Balance – March 31, 2016	-	**12,848,515**	**2,658,792**	**255,150**	**86,550**	-	-	**(2,242,571)**	**757,921**
Balance – January 1, 2017	**15,976,269**	**11,255,000**	**19,310,097**	**1,202,353**	**3,685,017**	**-**	**72,061**	**(6,762,718)**	**17,506,810**
Exercise of warrants (Note 15)	12,500	-	34,895	-	(6,078)	-	-	-	28,817
Share-based compensation (Note 15)	-	-	-	328,044	-	-	-	-	328,044
Warrants issued to consultants (Note 15)	-	-	-	-	5,058	-	-	-	5,058
Convertible debentures financing (Note 12)	-	-	-	-	-	1,880,093	-	-	1,880,093
Financing fees	-	-	-	-	-	(102,230)	-	-	(102,230)
Other comprehensive gain for the period	-	-	-	-	-	-	14,816	-	14,816
Loss for the period	-	-	-	-	-	-	-	(1,891,669)	(1,891,669)
Balance – March 31, 2017	**15,988,769**	**11,255,000**	**19,344,992**	**1,530,397**	**3,683,997**	**1,777,863**	**86,877**	**(8,654,387)**	**17,769,739**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

iAnthus Capital Holdings, Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended	
	March 31, 2017	**March 31, 2016**
Operating activities		
Net loss for the period	$ (1,891,669)	$ (535,585)
Adjustments for:		
Depreciation and amortization	97,414	-
Share-based compensation	328,044	90,844
Warrants issued to consultants	5,058	-
Interest income	(240,159)	(22,576)
Interest expense	126,368	5,479
Accretion on financial liabilities	163,874	-
Fair value movement on derivative	33,168	-
Share of gains of equity-accounted investees	(23,902)	-
Foreign exchange gain	(43,683)	-
Changes in non-cash working capital items:		
Receivables and prepaid expenses	(189,510)	(23,784)
Accounts payable and accrued liabilities	250,312	177,218
Related party balances	(26,746)	(178,932)
Net cash used in operating activities	**(1,411,431)**	**(487,336)**
Investing activities		
Purchase of property, plant and equipment	(510,099)	-
Issuance of promissory notes receivable	(4,350,000)	(500,000)
Investments in related parties	(500,000)	-
Loan drawdowns	(800,000)	-
Interest received	18,333	22,576
Net cash used in investing activities	**(6,141,766)**	**(477,424)**
Financing activities		
Proceeds from issue of share capital	28,817	742,500
Proceeds from issue of long term debt	15,096,000	500,000
Issuance costs	(820,845)	(41,101)
Interest paid	-	(5,479)
Net cash generated from financing activities	**14,303,972**	**1,195,920**
Net increase in cash	**6,750,775**	**231,160**
Cash, beginning of the period	9,413,953	211,717
Effect of movements in exchange rates on cash held	(18,333)	-
Cash, end of the period	**$ 16,146,395**	**$ 442,877**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

iAnthus Capital Holdings, Inc. ("ICH" or the "Company") was incorporated in British Columbia, Canada, on November 15, 2013. On August 15, 2016, the Company completed the acquisition of all issued and outstanding equity interests of a private company, iAnthus Capital Management, LLC ("ICM"), through a reverse takeover arrangement ("the RTO"). Upon completion of the RTO, the shareholders of ICM obtained control of the consolidated entity. Under the purchase method of accounting, ICM was identified as the acquirer and, accordingly, the entity is considered to be a continuation of ICM with the net assets of the Company at the date of the RTO deemed to have been acquired by ICM (Note 5). The comparative figures in the condensed interim consolidated financial statements include the results of operations of ICM prior to the RTO date of August 15, 2016.

Following the RTO the Company's principal activity is the delivery of solutions for financing, developing and managing state-licensed cannabis cultivators and dispensaries throughout the United States.

The Company listed on the Canadian Securities Exchange (the "CSE") and began trading on September 7, 2016 under the ticker symbol "IAN".

The Company's registered office is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7, Canada.

2. BASIS OF PREPARATION AND GOING CONCERN

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee, effective for the Company's reporting for the period ended March 31, 2017.

The condensed interim consolidated financial statements for the three months ending March 31, 2017 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2016.

Going concern

These condensed interim consolidated financial statements have been prepared under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue in the normal course of operations is dependent on its ability to raise financing sufficient to maintain operations and there are no assurances that the Company will be successful in achieving this goal. For the three months ended March 31, 2017, the Company reports a net loss of $1,891,669, operating cash outflows of $1,411,431 and, as of that date, an accumulated deficit amounting to $8,654,387. These circumstances cast substantial doubt on the Company's ability to continue as a going concern and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION AND GOING CONCERN (cont.)

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair value.

Functional and presentation currency

The condensed interim consolidated financial statements are presented in U.S. dollars. The functional currency of the standalone ICH entity is the Canadian dollar and the functional currency of all the Company's other subsidiaries is the U.S. dollar.

Basis of consolidation

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Intercompany transactions, balances and unrealized gains or losses on transactions are eliminated. The Company's principal material subsidiaries are as follows:

Name	Place of Incorporation	Ownership Percentage
iAnthus Capital Management, LLC	Delaware, USA	100%
iAnthus Formation Corp.	Delaware, USA	100%
iAnthus Transfer Corp.	Delaware, USA	100%
Scarlet Globemallow, LLC	Colorado, USA	100%
Bergamot Properties, LLC	Colorado, USA	100%

Estimates and critical judgments by management

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Refer to Note 4.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as disclosed in the Company's annual consolidated financial statements as at December 31, 2016 have been applied consistently in the preparation of these condensed interim consolidated financial statements except as discussed below.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated amortization and impairment losses.

(Expressed in U.S. Dollars, unless stated otherwise)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

Property, plant and equipment (cont.)

Amortization is provided on a straight-line basis over the following terms:

Building	25 years
Leasehold improvements	20 years or the length of the lease term
Production equipment	5 years
Processing equipment	5 years
Sales equipment	5 years
Office equipment	5 years

Amortization begins on an asset only when it is available for use, therefore assets categorized as construction in progress are not amortized.

An asset's residual value, useful life and amortization method is reviewed at each financial year-end and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

New Standards, Interpretations and Amendments

No new standards have been implemented during the period and all significant accounting policies are consistent with those at year end.

IFRS 7 Financial instruments: Disclosure
Amended to require additional disclosures on transition from IAS 39 to IFRS 9. This amendment is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company does not expect significant impact on its financial statements from the adoption of this new standard.

IFRS 9 Financial Instruments
IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company expects this standard to have a significant effect on financial reporting and is currently assessing the extent of the impact of this new standard.

IFRS 15 Revenue from Contracts with Customers
The standard replaces IAS 18 Revenue and IAS 11 Construction Contracts, and contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on January 1, 2018. The Company expects greater impact of this standard as the Company enters into new revenue arrangements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

New Standards, Interpretations and Amendments (cont.)

IFRS 16 Leases
The new standard will replace IAS 17 Leases and eliminates the classification of leases as either operating or finance leases by the leasee. The treatment of leases by the leasee will require capitalization of all leases resulting accounting treatment similar to finance leases under IAS 17 Leases. The new standard will result in an increase in lease assets and liabilities for the leasee. Under the new standard, the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest component recognized for each lease, in line with finance lease accounting under IAS 17 Leases. IFRS 16 will be applied prospectively for annual periods beginning on January 1, 2019. Based on current operations, the Company does not expect this standard to have significant financial reporting implications.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial statements requires management to apply judgment and make estimates that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations with regards to future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The significant accounting estimates and judgments as disclosed in the Company's annual consolidated financial statements as at December 31, 2016 have been applied consistently in the preparation of these condensed interim consolidated financial statements except as described below.

Significant Accounting Estimates

Convertible Debentures
The Company's convertible debentures have a host liability and an embedded equity conversion feature. The fair value of the liability component is determined first by using a present value calculation and the equity component is then assigned the residual amount. Present value is calculated by discounting the contractual stream of future cash flows at the rate of interest that would apply to an identical financial instrument without the conversion option. As there are limited peer companies, no such instruments have been identified thus judgement has been applied in estimating the appropriate market interest rate for a similar instrument.

5. REVERSE TAKEOVER TRANSACTION

On June 30, 2016, Genarca Holdings Ltd. signed an amended and restated Share Exchange Agreement with ICM, iAnthus Transfer Corp., iAnthus Formation Corp. and their respective shareholders (together "the Sellers"), whereby Genarca Holdings Ltd. would acquire all of the issued and outstanding shares of the Sellers, in exchange for shares in the resulting entity.

On August 4, 2016, Genarca Holdings Ltd was renamed iAnthus Capital Holdings, Inc. and on August 15, 2016 the Company completed the acquisition of ICM in exchange for the issuance of 11,255,000 Class A Common Shares and 5,083,065 Common Shares of the Company.

(Expressed in U.S. Dollars, unless stated otherwise)

5. REVERSE TAKEOVER TRANSACTION (cont.)

In accordance with IFRS 3 *Business Combinations* ("IFRS 3"), the substance of the transaction was a reverse takeover ("RTO") of a non-operating company. The transaction did not constitute a business combination since ICH did not meet the definition of a business under IFRS 3. As a result, the transaction was accounted for as an asset acquisition with ICM being identified as the acquirer (legal subsidiary) and the Company being treated as the accounting subsidiary (legal parent) with the transaction being measured at the fair value of the equity consideration issued to ICH.

The assets acquired and liabilities assumed are stated at their fair values. The net assets of the Company at their fair value on August 15, 2016, is as follows:

Identifiable net assets		
Cash	$	106,607
Accounts receivable		2,594
Accounts payable and accrued liabilities		(69,284)
Identifiable net assets		39,917
Consideration		
600,001 shares issued at $1.25 per share		750,001
		750,001
Fair value of consideration paid in excess of net assets acquired		710,084
Transaction costs related to the acquisition		102,071
Charge related to public company listing	$	**812,155**

6. BUSINESS COMBINATION

On December 5, 2016, the Company, through its wholly-owned subsidiary, ICM, closed an agreement to acquire certain assets of Organix, LLC ("Organix"), the owner and operator of a Colorado medical and adult-use marijuana operation with a cultivation facility in Denver and a fully integrated medical and adult-use dispensary located in the town of Breckenridge. ICM formed Scarlet Globemallow, LLC ("Scarlet") and Bergamot Properties, LLC ("Bergamot"), two wholly-owned subsidiaries to hold the assets acquired from Organix. The transaction was accounted for as a business combination in accordance with IFRS 3.

The total cash paid to the owners of Organix amounted to $4,670,175. In accordance with the terms of the agreement, the consideration payable will be adjusted for profits or losses generated by Organix from December 5, 2016 to the date the state of Colorado's Marijuana Enforcement Division ("MED") approves the transfer of the cultivation and selling license from the previous owners of Organix to a third party. On a preliminary basis, the Company has estimated that profits of $275,175 will be generated by Organix during this period and, accordingly, total preliminary consideration amounts to $4,395,000.

The consideration transferred has been allocated on a preliminary basis to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. Due to the timing of the acquisition, the fair values assigned to the net assets acquired are preliminary and may be revised by the Company as additional information is received.

The Company used various valuation techniques to estimate the fair value of the identifiable intangible assets acquired including income based approaches, which involve estimating the future net cash flows and applying the appropriate discount rate to those future cash flows.

(Expressed in U.S. Dollars, unless stated otherwise)

6. BUSINESS COMBINATION (cont.)

Goodwill has been primarily recognized as a result of the expectation to enter into a series of contracts, post MED approval, which will provide the Company the right to future cash flows generated from Organix. A right to residual cash flows of $430,000 was recognized as a separately identifiable intangible asset as the Company has entered into certain contracts that are in force prior to MED approval.

The Company has allocated the purchase price on a preliminary basis as follows:

Land and building	$	1,500,000
Equipment and leaseholds		466,689
Rights to residual cash flows		430,000
Goodwill		1,998,311
Total purchase consideration	**$**	**4,395,000**

The Company incurred closing costs of $5,465 and legal expenses of $103,703 in relation to this transaction which were expensed as incurred. Apart from rental income of $65,817 earned from Organix, no revenues or expenditures relating to the business combination have been recognized in these condensed interim consolidated financial statements.

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the quarter, the Company made additional purchases of property, plant and equipment. Most significantly, on March 3, 2017, Bergamot Properties LLC., a wholly-owned subsidiary of ICM, acquired a medical and recreational dispensary in the town of Breckenridge, Colorado, for cash consideration of approximately $500,000.

The cost and accumulated depreciation continuity of property, plant and equipment for the period ended March 31, 2017 is as follows:

	Buildings and improvements	Production equipment	Processing equipment	Sales equipment	Office equipment	Land	Total
Cost							
As at December 31, 2016	$ 1,035,297	$ 113,244	$ 30,472	$ 34,416	$ 5,449	$ 750,000	$ 1,968,878
Additions	501,500	7,198	-	906	495	-	510,099
As at March 31, 2017	**$ 1,536,797**	**$ 120,442**	**$ 30,472**	**$ 35,322**	**$ 5,944**	**$ 750,000**	**$ 2,478,977**
Accumulated depreciation							
As at December 31, 2016	$ 3,290	$ 2,948	$ 563	$ 839	$ 107	$ -	$ 7,747
Depreciation	13,044	10,365	1,948	2,907	373	-	28,637
As at March 31, 2017	**$ 16,334**	**$ 13,313**	**$ 2,511**	**$ 3,746**	**$ 480**	**$ -**	**$ 36,384**
Net book value							
As at December 31, 2016	$ 1,032,007	$ 110,296	$ 29,909	$ 33,577	$ 5,342	$ 750,000	$ 1,961,131
As at March 31, 2017	**$ 1,520,463**	**$ 107,129**	**$ 27,961**	**$ 31,576**	**$ 5,464**	**$ 750,000**	**$ 2,442,593**

(Expressed in U.S. Dollars, unless stated otherwise)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (cont.)

The cost and accumulated depreciation continuity of property, plant and equipment for the period ended December 31, 2016 is as follows:

	Buildings and improvements	Production equipment	Processing equipment	Sales equipment	Office equipment	Land	Total
Cost							
As at December 31, 2015	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	1,035,297	113,244	30,472	34,416	5,449	750,000	$ 1,968,878
As at December 31, 2016	**$ 1,035,297**	**$ 113,244**	**$ 30,472**	**$ 34,416**	**$ 5,449**	**$ 750,000**	**$ 1,968,878**
Accumulated depreciation							
As at December 31, 2015	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation	3,290	2,948	563	839	107	$ -	7,747
As at December 31, 2016	**$ 3,290**	**$ 2,948**	**$ 563**	**$ 839**	**$ 107**	**$ -**	**$ 7,747**
Net book value							
As at December 31, 2015	$ -	$ -	$ -	$ -	$ -	$ -	$ -
As at December 31, 2016	**$ 1,032,007**	**$ 110,296**	**$ 29,909**	**$ 33,577**	**$ 5,342**	**$ 750,000**	**$ 1,961,131**

Intangible assets with a finite life are amortized on a straight-line basis over the period of expected benefit. During the quarter ended March 31, 2017, no additions to intangible assets were made and the Company recorded $68,777 of amortization on intangible assets (March 31, 2016 - $Nil). At March 31, 2017, the net book value of intangible assets was $361,223.

8. INVESTMENT IN ASSOCIATE

During 2016, the Company provided a series of loans in the aggregate amount of $2,270,000 to Reynold, Greenleaf and Associates LLC ("RGA"), a company incorporated in the U.S.A. which provides consulting and management services to companies operating in the medical cannabis industry in New Mexico. On October 12, 2016 (the "Conversion Date"), the Company converted the loans, plus accrued interest of $101,272, to Class A-1 Units of RGA. On the Conversion Date, the total outstanding amount of $2,371,272 was converted into 229,774 Class A-1 Units at $10.32 per unit.

The Company has a 29.47% interest in RGA. Additionally, the Company has the ability to exercise significant influence over RGA as it has more than 20% of the voting interests and can elect two of seven directors to the board of RGA. Accordingly, RGA is classified as an investment in associate and the Company has applied the equity method of accounting. No quoted market price exists for the investment.

At December 31, 2016, the Company's investment in RGA was recorded at $2,407,388. During the period ended March 31, 2017, the Company's share of profit from RGA was $23,902 based on the net income of RGA during the period of $81,117. RGA's net income amount is derived from RGA's unaudited financial statements which were prepared by management for internal use. The Company's investment in RGA at March 31, 2017 was $2,431,290.

(Expressed in U.S. Dollars, unless stated otherwise)

9. LOAN DUE FROM MAYFLOWER MEDICINALS, INC.

On July 1, 2016, the Company entered into an agreement (the "Mayflower Loan Agreement") with Mayflower Medicinals, Inc. ("Mayflower"), to issue a secured promissory note for an amount not to exceed $1,300,000 to fund Mayflower's license application fees to the State of Massachusetts and related expenses. On December 28, 2016, the parties entered into a First Amendment to the Mayflower Loan Agreement increasing the maximum amount available to be loaned to Mayflower by the Company to up to, but not to exceed, principal of $3,000,000. Mayflower is a not-for-profit entity operating in the cannabis industry in Massachusetts and it is controlled by an officer of ICM.

As of March 31, 2017, the total principal amount advanced under the promissory note was $2,833,065 with accrued interest receivable $229,087, all of which is classified as non-current. For December 31, 2016, principal outstanding was $2,018,965 and interest receivable was $121,872, with $9,405 classified as current and $112,467 classified as non-current. The note bears interest at a rate of 16%, compounded monthly and payable on a quarterly basis, starting one year after Mayflower commences sales of licensed products to patients (the "First Payment Date"). The maturity date is 7 years from the First Payment Date, and therefore the note is classified as non-current. Interest income on the note amounted to $123,390 and $1,584 for the periods ended March 31, 2017 and 2016, respectively.

10. PROMISSORY NOTES RECEIVABLE

	Loan Due from FWR	Loan Due from TGS	Total
As at December 31, 2016	$ 550,000	$ -	$ 550,000
Drawdowns	50,000	4,300,000	4,350,000
Interest income accrued	12,902	103,867	116,769
As at March 31, 2017	**$ 612,902**	**$ 4,403,867**	**$ 5,016,769**

Loan Due from FWR Inc.

On June 23, 2015, ICM issued a secured promissory note to FWR Inc. ("FWR") for an amount not to exceed $915,000. The note bears interest at a rate of 20%, compounded and payable on a monthly basis. The principal payments for the note began on July 15, 2016 and the loan matures on June 15, 2020. On July 15, 2016, ICM entered into a temporary forbearance agreement with FWR whereby both parties agreed to postpone the principal payments. Subsequently, FWR and the Company have extended the forbearance of the principal payments. As of the issuance date of these condensed interim consolidated financial statements, the principal payments are due to commence on July 1, 2017.

As of March 31, 2017, the total amount advanced under the secured promissory note was $600,000 of which $99,648 was classified as current and $500,352 classified as non-current. At December 31, 2016, the total amount advanced under the secured promissory note was $550,000 of which $99,647 was classified as current and $450,353 classified as non-current.

(Expressed in U.S. Dollars, unless stated otherwise)

10. PROMISSORY NOTES RECEIVABLE (cont.)

Loan Due from The Green Solution, LLC

On February 6, 2017, ICM entered into a strategic relationship with The Green Solution, LLC and certain of its affiliated Colorado entities (collectively, "TGS"). TGS is a leading cultivator and dispenser of marijuana and marijuana-infused products in Colorado. The strategic relationship includes an initial financing, by the Company to TGS, consisting of a $7,500,000 loan facility. The Loan Facility has a term of one year, and interest on borrowings are payable at the rate of 14% during the first 4 months, escalating to 23% for the remaining 8 months (effective interest rate of 20%). At March 31, 2017, the loan receivable balance was $4,300,000 and interest earned during the period ended March 31, 2017 was $103,867.

In addition, TGS has entered into an advisory agreement to provide the Company with operational expertise and advice in support of the Company's investments in Massachusetts, Vermont, New Mexico and Colorado.

11. INVESTMENT IN 4FRONT VENTURES, INC.

On April 20, 2015, ICM issued a convertible promissory note in the amount of $100,000 to 4Front Ventures, Inc. ("4Front Ventures"), a strategic consulting firm specializing in the cannabis industry. On December 22, 2015, ICM exercised its conversion option to convert the $100,000 principal to 627 units of Series B preferred stock for $159 per unit. The Company has designated this financial asset as available-for-sale with any changes to fair value recognized in other comprehensive income or loss. As 4Front Ventures is a private company there is no active market for its shares and no observable inputs. In accordance with *IAS 39 Financial Instruments: Recognition and Measurement* ("IAS 39") the available-for-sale investment was initially recognized at its cost of $99,969 and is carried at cost less any provision for impairment. No impairment has been recognized on the balance at March 31, 2017.

12. CONVERTIBLE DEBT

	Convertible Promissory Notes	**Convertible Debentures**	**Total**
As at December 31, 2016	$ 735,324	$ -	$ 735,324
Fair value of financial liability at issuance	-	13,215,907	13,215,907
Financing costs at issuance	-	(718,615)	(718,615)
Accretion of balance	65,021	98,853	163,874
Foreign exchange loss on non-USD cash	-	(58,499)	(58,499)
As at March 31, 2017	**$ 800,345**	**$ 12,537,646**	**$ 13,337,991**

Convertible Promissory Notes

In February 2016, the Company issued two unsecured convertible promissory notes (the "Notes") for a total principal amount of $1,300,000. The Notes, which are convertible at prices ranging from $1.00 to $1.65 per share contingent on certain milestones being met, bear interest at 8.0% per annum and have maturity dates that are one to three years from the date of execution of the RTO (Note 5).

12. LONG TERM DEBT (cont.)

Convertible Promissory Notes (cont.)

The terms of the Notes contain a covenant requiring the Company to maintain a minimum cash balance of $500,000 while the Notes remain outstanding and less than 80% of the original principal amount of the Notes have been converted by the payee. As of March 31, 2017, the Company was in compliance with this covenant.

In conjunction with the issuance of the Notes the Company issued 275,758 three-year warrants. Each warrant gives the holder the right to purchase one Class A common share of the Company at an exercise price of CAD$2.24. The warrants are classified as an equity instrument and recognized at fair value with no subsequent revaluation.

The conversion feature is a derivative liability and is required to be separated from the debt host liability and valued independently. As the conversion feature is designated as fair value through profit or loss it is revalued at each reporting date. For the Black-Scholes calculation as at March 31, 2017, the Company used a volatility of 100.4%, dividend yield of 0% and discount rate of 0.71% to calculate a fair value of $923,160. The increase in fair value of $33,168, from $889,992 at December 31, 2016, was recognized in the statement of comprehensive loss for the quarter.

The residual value from the instrument is assigned to the debt host liability which is valued on an amortized cost basis. During the period ended March 31, 2017, interest expense of $26,195 (March 31, 2016 - $5,479) was recognized in the statement of comprehensive loss and as at March 31, 2017 the debt host liability amounted to $800,345 (December 31, 2016 - $735,324).

On September 23, 2016, the Company issued 15,956 common shares with a fair value of $24,240 in satisfaction of accrued interest due on the convertible promissory note of $19,945. On December 6, 2016, $25,000 of the promissory note was converted into 15,477 common shares of the Company with a fair value of $27,854 in satisfaction of $25,000 of principal and $526 of accrued interest.

As of March 31, 2017, the Company is to issue common shares in satisfaction of $20,164 of the accrued interest due on the convertible promissory note.

Convertible Debentures

On February 28, 2017, ICH entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp., and including Beacon Securities Limited, pursuant to which the underwriters agreed to purchase, on a bought deal, private placement basis, a CAD$20,000,000 aggregate principal amount of unsecured convertible debenture (the "Convertible Debentures") at a price of CAD$1,000 per Convertible Debenture (the "Offering"). The Convertible Debentures commenced to bear interest from February 28, 2017 (the “Closing Date”) at 8.0% per annum, payable semi-annually on the last day of February and August of each year. The Convertible Debentures have a maturity date of February 28, 2019, 24 months from the Closing Date.

The Convertible Debentures are convertible at the option of the holder into common shares of the Company at any time prior to the close of business on the maturity date at a conversion price of CAD$3.10 per common share (the "Conversion Price"). Beginning June 29, 2017, the Company may force the conversion of all of the principal amount of the then outstanding Convertible Debentures at the conversion price on 30 days prior written notice should the daily volume weighted average trading price of the Company’s common shares be greater than CAD$4.50 for any 10 consecutive trading days.

12. LONG TERM DEBT (cont.)

Convertible Debentures (cont.)

The Convertible Debentures are subject to redemption, in whole or in part, by the Company at any time after 12 months upon giving holders not less than 30 and not more than 60 days' prior written notice, at a price equal to the then outstanding principal amount of the Convertible Debentures plus all accrued and unpaid interest up to and including the redemption date.

At issuance, the fair value of the liability component was estimated to be CAD$17,509,150 (equivalent to USD$13,215,907 at issuance) and the residual of CAD$2,490,850 (equivalent to USD$1,880,093 at issuance) was allocated as the fair value of the conversion feature. The market rate of interest assumed in calculating the fair value was estimated to be 15%. Issuance costs of CAD$1,087,500 were allocated proportionately with CAD$952,060 (USD$718,615) as a debit against the liability component and CAD$135,440 (USD $102,230) as a debit against the equity component.

During the period ended March 31, 2017, interest expense of $100,173 (March 31, 2016 - $Nil) and accretion expense of $98,853 (March 31, 2016 - $Nil) was recognized and as at March 31, 2017 the debt host liability amounts to $12,537,646 (December 31, 2016 - $Nil).

13. FAIR VALUE

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The levels of the fair value hierarchy are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, receivables, accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments. Balances due to and due from related parties have no terms and are payable on demand, thus also considered current and short-term in nature hence the carry values approximate their fair values.

The promissory notes receivable from FWR and TGS and the loan to Mayflower were initially recognized at fair value and are subsequently measured on an amortized cost basis. This approximates carrying value as a market rate of interest has been applied on the loans and the credit risk of the counterparty to the loan has not changed significantly since the promissory loan notes were issued.

(Expressed in U.S. Dollars, unless stated otherwise)

13. FAIR VALUE (cont.)

The component of the Company's long term debt attributed to the host liability is recorded at amortized cost for both the convertible debentures and convertible promissory notes.

	March 31, 2017		December 31, 2016	
	Carrying value	Fair value	Carrying value	Fair value
Long term debt				
Convertible debentures	$ 12,537,646	$ 12,867,391	$ -	$ -
Convertible promissory notes	800,345	1,103,750	735,324	1,113,432
Total	**$ 13,337,991**	**$ 13,971,141**	**$ 735,324**	**$** 1,113,432

The carrying value of the investment in 4Front Ventures, Inc. is equivalent to its cost and is considered to be Level 3 as observable market data does not exist.

The related derivative liability in the convertible promissory note is recorded at fair value using the Black-Scholes method and is therefore considered to be a Level 2 measurement.

The following table presents the fair value hierarchy for the Company's financial assets and financial liabilities that are measured at fair value on a periodic basis:

	March 31, 2017			December 31, 2016		
	Carrying value	Level 2	Level 3	Carrying value	Level 2	Level 3
Financial assets						
Investment in 4Front Ventures	$ 99,969	$ -	$ 99,969	$ 99,969	$ -	$ 99,969
Total	**$ 99,969**	**$ -**	**$ 99,969**	**$ 99,969**	**$ -**	**$ 99,969**
Financial liabilities						
Derivative liability	$ -	$ 923,160	$ -	$ -	$ 889,992	$ -
Total	**$ -**	**$ 923,160**	**$ -**	**$ -**	**$ 889,992**	**$ -**

During the periods ended March 31, 2017 and December 31, 2016 there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign currency risk, interest rate risk, credit risk, liquidity risk, and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The key risks and risk management strategies are disclosed in full in the Company's consolidated financial statements as at December 31, 2016. The risks and risk management strategies remain unchanged for the period ended March 31, 2017

15. SHARE CAPITAL

Authorized: Unlimited common shares, Class A common shares, and preferred shares without par value.

The Company's common shares and preferred shares are voting and dividend-paying. The Company's Class A common shares are also voting and dividend-paying, but holders of Class A common shares are not entitled to vote for the election of directors of the Company.

(Expressed in U.S. Dollars, unless stated otherwise)

15. SHARE CAPITAL (cont.)

Stock Options

In November 2015, ICM established the ICM 2015 Equity Compensation Plan (the "Plan"). The Plan authorized the issuance of up to 2,000,000 Class A common shares. Options granted generally vest over one and a half to two years, and typically have a life of ten years. The option price under the Plan is determined at the sole discretion of management, but in no case, will it be less than 100% of the fair market value of a share on the grant date.

Upon closing of the RTO, the Company adopted a rolling stock option plan (the "ICH Plan"), in which the maximum number of common shares which can be reserved for issuance under the ICH Plan is 10% of the issued and outstanding shares of the Company. 1,300,000 options issued by ICM under the ICM 2015 Equity Compensation Plan were assumed by the ICH Plan. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the CSE.

On January 17, 2017, ICH granted incentive stock options to employees and consultants of the Company, exercisable at CAD $2.91, to purchase up to an aggregate of 153,000 shares of the Company.

The continuity of stock options is as follows:

	Number	**Weighted average exercise price ($CAD)**
Balance as at December 31, 2016	1,538,000	1.57
Issued	153,000	2.91
Balance as at March 31, 2017	**1,691,000**	**$ 1.66**

The options outstanding and exercisable at March 31, 2017 are as follows:

Outstanding options			**Exercisable options**	
Number Outstanding	Weighted average exercise price (CAD$)	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price (CAD$)
345,000	1.34	8.65	318,188	1.34
145,000	1.68	8.94	145,000	1.68
50,000	1.58	9.09	25,000	1.58
360,000	1.60	9.12	360,000	1.60
200,000	1.61	9.13	105,000	1.61
100,000	1.64	9.14	55,000	1.64
273,000	1.50	9.45	135,725	1.50
65,000	1.76	9.51	42,375	1.76
153,000	2.91	9.81	19,125	2.91
1,691,000	**$ 1.66**	**9.14**	**1,205,413**	**$ 1.56**

(Expressed in U.S. Dollars, unless stated otherwise)

15. SHARE CAPITAL (cont.)

Stock Options (cont.)

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following ranges of assumptions:

	March 31, 2017	December 31, 2016
Risk-free interest rate	1.33%	0.74% - 0.96%
Expected dividend yield	0.00%	0.00%
Expected volatility	92.61% - 95.33%	97.01% - 154.54%
Expected option life	10 years	8.90 years – 9.75 years

Option-pricing models require the application of estimates and assumptions including the expected volatility. The Company uses expected volatility rates based upon historical data from comparable companies.

The related compensation expense for the periods ended March 31, 2017 and 2016 was $328,044 and $90,844, respectively.

Warrants

The continuity of warrants for the Company is as follows:

	Number	Weighted average exercise price ($CAD)
Balance as at December 31, 2016	6,104,200	2.86
Exercised	(12,500)	3.00
Balance as at March 31, 2017	**6,091,700**	**$ 2.86**

During the period ended March 31, 2017, there were 12,500 warrants exercised at CAD$3.00 per share. Furthermore, $5,058 was recognized in the warrants reserve for the portion of the 50,000 warrants issued to ProActive Capital Resources Group in 2016 attributable to the services performed in the first quarter of 2017.

Full share equivalent warrants outstanding and exercisable as of March 31, 2017:

Expiry date	Price per share (CAD$)	Warrants outstanding
February 10, 2019	2.26	106,061
February 24, 2019	2.26	169,697
February 8, 2021	1.74	50,000
November 18, 2018	3.00	4,750,000
November 18, 2018	3.00	357,760
November 18, 2018	2.10	658,182
	$ 2.86	**6,091,700**

16. RELATED PARTY TRANSACTIONS

RGA

As described in Note 8, ICM converted its loan with RGA into Class A-1 Unit Securities of RGA. As part of that transaction, the Company is to be reimbursed $30,000 from RGA in connection with certain legal fees and expenses incurred for the conversion. As of March 31, 2017 and December 31, 2016, the reimbursement due from the RGA loan conversion was $30,000.

Last Dance Ventures, LLC

The Company utilizes the services and office space of Last Dance Ventures, LLC (“LDV”), a related party owned by the Company’s officers, Hadley Ford and Randy Maslow. The rental costs were $27,663 and $25,645 for the periods ended March 31, 2017 and 2016, respectively.

On October 1, 2015, ICM entered into an administrative services agreement with LDV. LDV provides full time equivalent staff to perform certain accounting, business development, recordkeeping, tax filing and other operating functions. The agreement provides for a monthly fee. For the periods ended March 31, 2017 and 2016, the Company incurred administrative management fees of $210,000 and $210,000, respectively. As of March 31, 2017 and December 31, 2016, the amount due to LDV is $Nil and $318,194 respectively and amount due from LDV is $1,905 and $317,726 respectively.

FWR

On June 23, 2015, ICM entered into an agreement to provide management services to FWR, a related party through a family relationship with one of the Company’s officers, Hadley Ford. The management fees are based on 10% of the fiscal year gross revenue of FWR and an additional 1% of the fiscal year gross revenues for each $50,000 by which the aggregate amount drawn by FWR under the loan exceeds $500,000 and commenced on July 1, 2015. Management fee income amounted to $24,373 and $12,308 for the periods ended March 31, 2017 and 2016, respectively. As of March 31, 2017 and December 31, 2016, the management fee receivable from FWR was $116,178 and $91,805, respectively, and is not expected to be collected within 12 months, and is therefore classified as non-current. The agreement also provides for the reimbursement by FWR of certain expenses incurred by ICM on behalf of FWR, which amounted to $Nil and $10,662 for the periods ended March 31, 2017 and 2016, respectively, and is shown as a reduction in administrative management fee. As of March 31, 2017 and December 31, 2016, the reimbursement receivable from FWR was $48,297, and is expected to be repaid within 12 months, and therefore, is classified as current.

Pilgrim Rock Management, LLC

In March 2017, the Company provided $500,000 to Pilgrim Rock Management, LLC (“Pilgrim”), a related party owned by an officer of the Company, Randy Maslow. Pilgrim was incorporated to manage the construction of the cannabis cultivation facility in Holliston, Massachusetts and a dispensary in Boston, Massachusetts in connection with the Company’s investment in Mayflower.

Griscom Advisors, LLC

For the quarter ending March 31, 2016, the Company was owed $1,676 from Griscom Advisors LLC, owned by one of the Company’s officers, Hadley Ford. This was subsequently repaid in the second quarter of 2016 and no balances are outstanding at March 31, 2017.

(Expressed in U.S. Dollars, unless stated otherwise)

16. RELATED PARTY TRANSACTIONS (cont.)

Other

In addition to the above, as of March 31, 2017 and December 31, 2016, the Company had a receivable due from a director of $30,000. The balance was received in full on April 21, 2017.

17. COMMITMENTS

Expected payments due by period as at March 31, 2017

		<1 Year		1-2 Years		3-5 Years		Total
USD - denominated								
Convertible Promissory Notes	$	102,000	$	1,326,000	$	-	$	1,428,000
SLG Graybar Mesne Lease LLC		155,428		200,829		672,708		1,028,965
North 6th Agency, Inc.		30,000		-		-		30,000
Kanan Corbin Schupak & Aronow, Inc.		24,000		-		-		24,000
Blue Chip Public Relations, Inc.		12,000		-		-		12,000
Total USD - denominated	**$**	**323,428**	**$**	**1,526,829**	**$**	**672,708**	**$**	**2,522,965**
CAD - denominated								
Convertible Debentures	$	1,600,000	$	21,466,667		-	$	23,066,667
Baron Global Financial Canada, Ltd.		132,000		-		-		132,000
KRC Canada Corp.		60,000		60,000		-		120,000
Total CAD - denominated	**$**	**1,792,000**	**$**	**21,526,667**	**$**	**-**	**$**	**23,318,667**

At March 31, 2017, the Company had leases for office spaces with KRC Canada Corp., expiring April 29, 2019 and SLG Graybar Mesne Lease LLC, expiring May 31, 2022.

The Company entered into an agreement with Baron Global Financial Canada Ltd. ("Baron") on February 4, 2016 to provide advisory and corporate finance services. Pursuant to the advisory services agreement, ICM retained Baron on a 12-month term upon listing on the Canadian Securities Exchange ("CSE") to be its exclusive corporate advisor. Pursuant to the advisory services agreement, the Company agreed to pay Baron a one-time fee of CAD$50,000 ($37,776) and a monthly cash fee of CAD$12,000 plus applicable tax upon listing on the CSE and the Company is responsible for all reasonable out-of-pocket expenses related to the services. In addition, the Company granted 100,000 stock options to Baron. Either party can terminate the agreement without cause by providing 30 days written notice to the other party.

The Company has commitments to continue its relationship for three to six months from March 31, 2017 with the marketing firms Kanan Corbin Schupak & Aronow, Inc. (dba. KCSA Strategic Communications), North 6th Agency, Inc., and Blue Chip Public Relations, Inc., for investor public relations services.

(Expressed in U.S. Dollars, unless stated otherwise)

18. SEGMENT INFORMATION

Operating segments are components of the Company where separate financial information is available, that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker. The operational segments are determined based on the Company's management and internal reporting structure.

As at March 31, 2017, the Company had two geographical segments, being Canada and the United States. Segment information is summarized as follows:

	Canada	USA	Total
Statement of operations			
Revenue	$ 45,104	$ 285,245	$ 330,349
Operating expenses	(792,118)	(1,130,392)	(1,922,510)
Share of profit of equity-accounted investees	-	23,902	23,902
Other items	(199,586)	(123,824)	(323,410)
Net loss	**$ (946,600)**	**$ (945,069)**	**$ (1,891,669)**
Statement of financial position			
Total assets	$ 17,344,494	$ 15,569,754	$ 32,914,248
Total liabilities	12,769,929	2,374,580	15,144,509
Net assets	**$ 4,574,565**	**$ 13,195,174**	**$ 17,769,739**
Other information			
Property, plant and equipment	$ -	$ 2,442,593	$ 2,442,593

Listed below are the comparative March 31, 2016 balances for the statement of operations:

	Canada	USA	Total
Statement of operations			
Revenue	$ -	$ 34,884	$ 34,884
Operating expenses	-	(564,990)	(564,990)
Other items	-	(5,479)	(5,479)
Net Loss	**$ -**	**$ (535,585)**	**$ (535,585)**

Listed below are the comparative December 31, 2016 balances for the statement of financial position:

	Canada	USA	Total
Statement of financial position			
Total assets	$ 9,546,173	$ 10,410,825	$ 19,956,998
Total liabilities	54,108	2,396,080	2,450,188
Net assets	**$ 9,492,065**	**$ 8,014,745**	**$ 17,506,810**
Other information			
Property, plant & equipment	$ -	$ 1,961,131	$ 1,961,131

19. SUPPLEMENTAL CASH FLOW INFORMATION

No non-cash transactions settled through the issuance of equity instruments were excluded from the March 31, 2017 and March 31, 2016 condensed interim consolidated statements of cash flows.

For the periods ending March 31, 2017 and 2016, $Nil taxes have been paid.

20. EVENTS AFTER THE REPORTING PERIOD

Grant of Stock Options

On April 4, 2017, the Company granted incentive stock options to consultants and employees of the Company, exercisable at CAD$3.10, to purchase up to an aggregate of 835,000 common shares of the Company. The grant includes 200,000 stock options granted to TGS in relation to the advisory agreement entered into with the Company as announced on February 6, 2017, to provide operational expertise and advice in support of the Company's investments around the U.S. TGS, through its affiliate TGS National Franchise, LLC ("TGS National Franchise"), will also facilitate introductions to franchisee operators in multiple states across the U.S., presenting the Company with significant opportunities for additional financing and equity-based investment partnerships with TGS National Franchise's franchisee operators.

The Green Solution, LLC drawdown

On April 13, 2017, TGS made a drawdown of $3,200,000 on its existing loan with the Company to fund construction of dispensaries. With this drawdown, the loan facility was fully drawn and the outstanding loan principal balance was $7,500,000.

Pilgrim Rock Management, LLC Funding

Subsequent to March, 31, 2017, the Company has provided an additional $1,837,793 to Pilgrim for the construction of the cannabis cultivation facility in Holliston, Massachusetts and a dispensary in Boston, Massachusetts in connection with the Company’s investment in Mayflower.