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iAnthus Capital Holdings, Inc.'s Affiliate, Mayflower Medicinals, Inc., Receives Two Provisional Licenses in Massachusetts

Vertically-Integrated Licenses Allow for Retail Dispensaries in Boston and Gloucester

TORONTO, ON and NEW YORK, NY -- (Marketwired) -- 09/27/16 -- iAnthus Capital Holdings, Inc., ("iAnthus" or the "Company") (CSE: IAN), which delivers a comprehensive solution for financing and managing licensed cannabis cultivators, processors and dispensaries throughout the United States, today announced that Mayflower Medicinals, Inc. ("Mayflower") has been awarded two provisional licenses by the Commonwealth of Massachusetts. iAnthus entered into a lending facility agreement on July 1, 2016 to provide capital to finance, in part, the build-out of Mayflower's cultivation facility and up to three medical cannabis dispensaries in Massachusetts.

The two vertically-integrated licenses will allow Mayflower to operate medical dispensaries in Boston and Gloucester. Mayflower was the second company to receive a license in Boston, which has a population of approximately 700,000 people and is the largest city in Massachusetts. Gloucester is a popular arts and seaport city on the Commonwealth's North Shore. According to the Massachusetts Department of Public Health, 167 authorized physicians have registered 36,080 patients for medical marijuana certificates of use since July 2015, when dispensaries began selling in the Commonwealth, with the number of monthly applications increasing at an accelerating rate.

Management of iAnthus anticipates groundbreaking on the US \$5 million state-of-the-art cultivation facility in January 2017. Based in Holliston, the cultivation facility is expected to total 36,000 square feet with maximum production capability of 8,700 pounds per year. Cultivation is expected to begin during the second quarter of 2017. The dispensaries are expected to open for business during the fourth quarter of 2017 under the operational direction of Jaime Lewis, a nationally known medical marijuana senior manager with over a decade of cannabis cultivation and dispensary operations experience. Mayflower is developing a production strategy to provide high-quality medical cannabis products and services to patients in a safe, secure and professionally managed environment.

"Massachusetts is one of the most favorable state environments for companies operating in the regulated cannabis market and one of the Company's priority target states in addition to the investments we've already closed in New Mexico and Vermont," said Randy Maslow, President of iAnthus. "Massachusetts is on track to soon have the largest number of registered patients in New England. With operational start-up expected in the last quarter of 2017 and a regulatory structure favorable to the continued development of a very large medical cannabis market, we anticipate additional investment in Massachusetts going

forward."

"We're in the process of finalizing local municipal approval for Mayflower's third dispensary location in Massachusetts," said John Henderson, CEO of Mayflower. "We've already secured the real estate for our cultivation facility in Holliston as well as all three of our dispensary locations and look forward to breaking ground in the fourth quarter."

Massachusetts has been home to the fastest growing population in the Northeast in recent years. The state's population now totals over 6.7 million people, largely concentrated in urban and exurban municipalities. The Commonwealth's favorable medical cannabis regulatory structure provides a broad list of qualifying medical conditions and a full range of ingestion methods, and Massachusetts is expected to develop into a lucrative medical cannabis market as the new program ramps up.

iAnthus' began trading on the Canadian Securities Exchange in September 2016 and previously announced the closing of a US\$6.7 million private placement in May, 2016. Funds from the private placement will be used to invest in its existing partners in Massachusetts, New Mexico and Vermont.

Additional information about iAnthus may be accessed on the Company's website at www.ianthuscapital.com and under the Company's SEDAR profile located at www.sedar.com.

About iAnthus Capital Holdings, Inc.

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. 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 lending facilities coupled with management services to not-for-profit license holders. For more information, visit www.ianthuscapital.com.

About Mayflower Medicinals, Inc.

Mayflower Medicinals is a "patient-first" non-profit healthcare organization, dedicated to providing the highest-quality medical cannabis products and services in a safe, secure and professionally managed environment in the Commonwealth of Massachusetts. Mayflower has received provisional licenses to operate Registered Marijuana Dispensaries in Boston and Gloucester, MA, and has received approvals to operate its cultivation center in Holliston, MA. Mayflower is affiliated with iAnthus Capital Management, LLC and Randy Maslow and John Henderson of iAnthus are members of the Mayflower Board of Directors.

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, anticipates," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements regarding the date of groundbreaking on Mayflower's cultivation facility; statements regarding the size, production capabilities and cultivation date of Mayflower's cultivation facility; statements regarding the opening of Mayflower's dispensaries; further investment in Massachusetts; the development of Massachusetts into a lucrative medical cannabis market; and other statements that are not facts.

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.

Contacts:

Corporate:

Julius Kalcevich

Director

iAnthus Capital Holdings, Inc.

647-705-5544

julius.kalcevich@ianthuscapital.com

US Investors:

Stephanie Prince

PCG Advisory

646-762-4518

SPrince@pcgadvisory.com

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