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iAnthus Capital Holdings, Inc. Closes Investment in Reynolds Greenleaf & Associates, New Mexico Market Share Leader

TORONTO, ON and NEW YORK, NY -- (Marketwired) -- 10/13/16 --

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 the closing of its investment in Reynolds Greenleaf & Associates, LLC ("RGA"), a medical cannabis management company in New Mexico. RGA has management agreements in place with three vertically-integrated, non-profit medical cannabis license holders and one for-profit manufacturer licensee. The clinics managed by RGA collectively have a current 16% share of the market for medical cannabis sales, the largest in the state.

Pursuant to the transaction, iAnthus has converted its existing US\$2.3 million loan facility into preferred equity in RGA. The loan facility was initially funded by iAnthus in January 2016 and RGA has used the proceeds to date for the expansion and upgrade of its cultivation operations, launching a dispensary expansion program throughout New Mexico, and for working capital and other general corporate purposes. iAnthus may invest additional funds over the next several months as RGA further executes on its expansion plans.

"New Mexico has been at the forefront of providing access to medical cannabis and there remains a large market opportunity throughout the state, with limited competition due to a cap on the number of authorized license holders. RGA is a proven market leader and its revenue has been growing rapidly since its founding in 2014," said Randy Maslow, President of iAnthus. "RGA is an important part of our strategy to invest in leading operators across multiple favorable regulated cannabis markets in the U.S."

William Ford, RGA's Founder and Managing Director, added: "Partnering with iAnthus will allow us to implement our growth strategy to expand our clinical operations, as well as complete development of a production strategy to provide value-added cannabis infused products for our license holders and others in New Mexico."

RGA has management agreements with R. Greenleaf Organics, Medzen Services, G&G Genetics and Elemental Kitchen and Laboratories. It currently manages a production facility, three cultivation operations with a total of 1,350 plants, and four clinic locations in Albuquerque. The clinics managed by RGA collectively constitute the market share leader for medical cannabis sales in the state.

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.

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 regarding the operations and expansion of RGA.

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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