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iAnthus Capital Holdings, Inc. Details and Accomplishments in 2016 and Progress in 2017

With US\$19.1 million Invested in Five Cannabis Operations Since the Beginning of 2016, iAnthus Continues to Grow and Diversify its Investments in 2017

TORONTO, ON and NEW YORK, NY -- (Marketwired) -- 05/02/17 --

iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: IAN)(OTCQB: ITHUF), a provider of capital investment and management services to licensed cannabis cultivators, processors and dispensaries throughout the United States, is pleased to release its 2016 audited financial statements and provide a year in review.

"2016 was a transformational year for iAnthus as it became the first public company listed in Canada to provide broad investor exposure to licensed United States cannabis operations. The Company currently has five active investments in four states across the United States," said Hadley Ford, Chief Executive Officer of iAnthus. "We are pleased to provide a recap of accomplishments in 2016 and iAnthus' year to date progress of 2017."

"The cannabis industry in the U.S. has flourished in the last five years, with twenty-nine (29) states currently having adopted full-strength medical cannabis programs and eight (8) of those states permitting adult-use sales as well. We are also encouraged by the multiple marijuana-related bills that have been introduced in the U.S. Congress, which demonstrate support from legislators on both sides of the aisle to provide a national regulatory framework and favorable business climate for the industry," said Randy Maslow, President of iAnthus.

"iAnthus has built a unique platform and footprint across the U.S. In the short term, we plan to convert several of our loans to majority control equity positions to provide investors additional transparency into the operating results of our investment. We look forward to making additional investments in greenfield states as well as acquiring assets that have strong track-records of revenue growth and cash flow generation," said Julius Kalcevic, CFO of iAnthus.

iAnthus Highlights:

- Completed the following public financings:
 - November 18, 2016: iAnthus closed its C\$21.5 million offering of C\$2.10 units via a bought deal and private placement; and
 - February 28, 2017: iAnthus closed its C\$20.0 million offering of 8.0% unsecured convertible debentures via a bought deal private placement.

- As of December 31, 2016, iAnthus' cash balance was USD\$9.4 million and as of this date, the Company's cash balance is USD\$12.3 million.
- Achieved the following listing and exchange milestones:
 - Canadian Securities Exchange: September 7, 2016 (Ticker: IAN);
 - OTC QB: November 23, 2016 (Ticker: ITHUF); and
 - Depository Trust Clearance: April 3, 2017. (Electronic eligibility to facilitate OTC trading and electronic deposit of stock).
- The following analysts initiated research coverage:
 - Beacon Securities (Vahan Ajamian): Initiated coverage January 9, 2017; and
 - Canaccord Genuity (Matt Bottomley): Initiated coverage April 11, 2017.

Mayflower Medicinals, Inc. ("Mayflower") Highlights (Massachusetts):

- Secured two provisional Massachusetts dispensary licenses, including a separate cultivation facility, with a third dispensary license application pending;
- Expected to begin dispensary sales during Q4 2017 under the operational direction of Jaime Lewis, a leading medical marijuana senior manager with over a decade of cannabis cultivation, production and dispensary operations experience across the United States;
- Hold one of only three dispensary licenses awarded to date in the entire city of Boston;
- Broke ground on the Company's cultivation facility in Holliston, MA in Q1 2017 with expected completion in Q3 2017;
- Current production capacity is expected to support in excess of US\$35 million in annual revenues. Management is also exploring several opportunities for increasing production capacity in advance of the expected initiation of the state's adult-use recreational program in 2018;
- Fully funded build-out and equipment of the cultivation facility and three dispensaries is expected to be approximately US\$10 million; and
- As of December 31, 2016, iAnthus had extended a loan of US\$2.1 million toward the build-out of the project. The current balance of the loan outstanding to Mayflower is US\$3.7 million. iAnthus is currently working with Mayflower to supplement the existing loan facility with the provision, by a majority-owned management company, of a broad range of real estate and equipment leasing, IP licensing and professional services.

Organix, LLC ("Organix") Highlights (Colorado):

- Generated US\$4.4 million gross revenue in 2016, with 10% y/y retail sales growth over 2015 and 68% growth over 2014;
- Delivered 2016 EBITDA of US\$1.0 million with margins of approximately 28%;
- iAnthus has 100% equity ownership of two Colorado subsidiaries, which together acquired all non- cannabis assets of Organix and which provide a broad range of real estate and equipment leasing, IP licensing and professional services.

The Green Solution, LLC ("TGS") Highlights (Colorado):

- Recognized as one of the largest licensed cannabis operators in Colorado with over US\$50 million in revenue in 2016 and US\$5.1 million in revenue in March 2017, which was the largest month in history for TGS;
- Entered into a strategic relationship with iAnthus in February 2017, which included a

US\$7.5 million loan facility to TGS and an advisory agreement that will provide iAnthus with operational expertise and advice in support of iAnthus' current/future investments; and

- Exploring ways to expand its existing relationship with iAnthus to possibly leverage the TGS National Franchise, which is registered to offer cannabis franchises in 47 states and other strategic options.

Reynolds Greenleaf & Associates, LLC ("RGA") Highlights (New Mexico):

- iAnthus has 23% ownership in RGA, a management company that oversees four licenses encompassing six dispensaries, three cultivation facilities and one commercial kitchen and laboratory. RGA receives a series of fees and revenue streams from the four licenses that it manages. RGA generated US\$1.6mm of revenue in 2016.
- The following information is the cumulative totals from the four licensed facility under management by RGA:
 - Generated US\$5.9 million revenue in 2016, with 49% y/y growth over 2015 and surpassed the 39% y/y growth delivered in 2015.
 - Q1 2017 revenue grew 20% compared to the same period in 2016;
 - Cultivation facility can support in excess of US\$30 million in annual revenue;
 - 3,563 registered medical cannabis patients as of end of Q1 2017;
 - Opened two new dispensaries in the past six months, with continued expansion expected throughout 2017.

Grassroots Vermont ("Grassroots") Highlights (Vermont):

- Implemented largest statewide medical marijuana delivery service in Vermont;
- Experienced 88% increase in patient count through Q1 2017 compared to Q1 2016;
- Increased revenue by 74% in Q1 2017 compared to Q1 2016;
- Cultivation facility can support in excess of US\$8 million in annual revenue; and
- As of December 31, 2016, iAnthus had provided Grassroots with a credit facility of US\$550,000. The current balance of the loan outstanding to Grassroots is USD\$610,000. iAnthus is currently working with Grassroots to convert a portion of the existing loan balance into a sale/leaseback facility with a management company owned by iAnthus, which will provide a broad range of real estate and equipment leasing, IP licensing and professional services to Grassroots.

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. 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 conversion of loans to majority control equity positions, acquiring additional assets, summaries of historical operating performances, and upcoming operational goals.

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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