

January 2, 2018



# **Mayflower Medicinals Receives Final Authorization to Begin Cannabis Cultivation and Production in Holliston, Massachusetts Facility**

## **First Retail Dispensary Nears Completion in Boston**

NEW YORK, NY and TORONTO, ON -- (Marketwired) -- 01/02/18 -- iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: IAN)(CSE: IAN.CN)(CNSX: IAN)(OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, announced today that Mayflower Medicinals, Inc. ("Mayflower") received its final certificate of registration ("FCR") and certificate of occupancy ("CO") from Massachusetts regulators and local officials on December 28, 2017 to begin cannabis cultivation and production operations at its facility in Holliston, Massachusetts. Mayflower is a non-profit Massachusetts corporation that has received two provisional licenses to operate Registered Marijuana Dispensaries ("RMDs") in Massachusetts, with a third RMD application pending before the Massachusetts Department of Public Health ("DPH").

The Company also announced the completion of its acquisition of 80% of Pilgrim Rock Management, LLC ("Pilgrim Rock"), the affiliated management and services company that will provide intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower, pursuant to a services agreement between Pilgrim Rock and Mayflower effective as of January 1, 2018. The transactions are described in more detail below.

With state-of-the-art cannabis cultivation, commercial kitchen, and processing capabilities, iAnthus believes that Mayflower's Holliston facility is one of the most advanced in the United States. The 36,000-square foot facility is outfitted with sophisticated automated systems including lighting, fertigation and environmental controls, which will enable high production levels and quality while reducing labor and operating costs. The Holliston cultivation facility is now fully ready to begin production after securing the FCR and CO. Mayflower has secured a significant inventory of cannabis clones to accelerate the production process and fill its nine grow rooms. These clones are expected to be planted within the first two weeks of January, 2018, and initial finished product is expected to be ready for market in June of 2018. Once fully operational, iAnthus expects Mayflower's cultivation and production facility to be capable of producing approximately 500 pounds of dried cannabis per month. Mayflower has begun discussions with in-state cultivators to acquire wholesale product that would potentially allow Mayflower to commence medical cannabis sales prior to its expected first harvest from the Holliston facility in June.

The Company further announced that construction of Mayflower's first retail dispensary,

located in the Allston-Brighton neighborhood of Boston, is nearing completion and is slated to be ready for operations in Q2 2018. At the time of its opening, the dispensary is expected to be one of only two operating within Boston city limits. iAnthus expects to announce its second dispensary location, which has already been granted a provisional license, during Q1 2018, and is currently evaluating and negotiating locations for its expected third dispensary.

In addition to beginning medical cannabis sales, the Company expects adult cannabis use sales to commence in Massachusetts in Q3 of 2018. Massachusetts passed legislation in 2017 to implement adult use of marijuana, following a successful ballot initiative that was passed by the voters in November, 2016. Following the passage of draft regulations by the new Cannabis Control Commission in December, 2017, the adult use program appears to be on track to commence sales on July 1, 2018.

iAnthus completed the acquisition of 80% of Pilgrim Rock in a series of transactions that included the Company (i) acquiring for a nominal consideration the ownership interest of Randy Maslow, a related party who is an officer and director of the Company and (ii) contributing debt instruments the Company held from Pilgrim Rock and Mayflower in return for additional equity units that now provides iAnthus in total with an 80% ownership interest in Pilgrim Rock. In addition, the Company has announced that it has entered into a binding agreement with VSH PR, Inc., a Massachusetts corporation ("VSH"), that will permit the Company to acquire the remaining 20% of Pilgrim Rock from VSH upon Mayflower notifying VSH in writing of its intention to file an application for one or more adult use cannabis licenses. The consideration for the acquisition shall consist of VSH exchanging its interest in Pilgrim Rock in return for shares of iAnthus valued at US \$4 million, at a price per share equal to the greater of (i) 90% of the 20-day volume weighted average trading price of iAnthus shares on the Canadian Securities Exchange immediately preceding the closing date or (ii) 85% of the closing price of iAnthus shares on the day immediately preceding the closing date.

Lastly, the Company also announced that its Chief Executive Officer, Hadley Ford, has joined the Mayflower Board of Directors, joining iAnthus President Randy Maslow and iAnthus Chief Development Officer John Henderson on the five-member Mayflower Board. Mr. Henderson also serves as Chief Executive Officer of Mayflower.

### ***About iAnthus Capital Holdings, Inc.***

iAnthus Capital Holdings, Inc. provides investors diversified exposure to best-in-class licensed cannabis cultivators, processors and dispensaries throughout the United States. 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. The Company harnesses these skills to support operations across five states. For more information, visit [www.iAnthusCapital.com](http://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 two provisional licenses to operate Registered Marijuana Dispensaries ("RMDs"), in Boston and a second undisclosed Massachusetts jurisdiction, and operates its cultivation center in Holliston, Massachusetts. Mayflower has a third application for an RMD license pending. Mayflower is affiliated with iAnthus Capital Management, LLC and Randy Maslow, Hadley Ford and John Henderson of iAnthus are members of the five-person 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," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including statements related to the cultivation, production and sale of cannabis by Mayflower Medicinals, Inc., the acquisition of Pilgrim Rock, LLC, and the expected commencement date of the adult use program in Massachusetts.

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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