

iAnthus Announces Q3 2017 Accomplishments and Operational Update

iAnthus Enters Florida and New York Markets, Expanding Operations to Key U.S. States as well as Moving Current Operations Forward

NEW YORK, NY and TORONTO, ON -- (Marketwired) -- 11/28/17 -- 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, is pleased to announce the release of its interim financial statements and Management Discussion and Analysis for the third quarter of 2017 and to provide an update on existing operations and strategic partnerships.

"Over the past quarter, iAnthus has achieved considerable progress in expanding our market presence and improving our operations," said Hadley Ford, CEO of iAnthus. "We've made significant updates to our operations team, while building sustainable infrastructures that will allow us to scale moving forward. We have begun to see early indicators of progress in our operations processes, and look forward to seeing the results over the coming months."

Corporate Highlights:

- Closed a C\$12.0 million short-form prospectus offering and concurrent C\$4.5 million non-brokered private placement;
- First short form prospectus to receive a final prospectus receipt from the Ontario Securities Commission following the publication of Canadian Securities Administrators' ("CSA") Staff Notice 51-352 - *Issuers with U.S. Marijuana-Related Activities* (the "CSA Staff Notice");
- Appointment of Carlos Perea as Chief Operating Officer, a technology and operations veteran with more than 20 years of experience as a senior executive in venture capital-backed companies in complex, highly regulated markets; and
- Well capitalized with C\$11.0 million (US\$8.6 million) in cash to fund closing of Citiva acquisition and fund operations.

Regulatory Updates:

- Trump administration reaffirmed the Cole Memorandum that allows states to legalize marijuana and precludes the federal government from pursuing action against operators in compliance with state cannabis regulations;
- The CSA Staff Notice was issued which provided the CSA's disclosure expectations for issuers that currently have, or are in the process of developing, marijuana-related activities in the United States;
- CDS reiterated that there is currently no CDS ban on the clearing of securities of issuers with marijuana-related activities in the United States.

Financial Highlights

- iAnthus now has seven investments in six states, representing an addressable market of approximately 50 million people;
- Total invested capital to date has increased significantly to US\$32.4 million, an increase of US\$10.1 million over the prior quarter and US\$23.1 million year to date; and
- Total revenues increased by US\$1.3 million in the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, primarily as a result of a significant increase in strategic loans made by the Company.

New York - Citiva Medical, LLC and Citiva, LLC (for convenience, "Citiva") Highlights:

- Acquisition of Citiva is expected to close this quarter;
- Acquisition provides iAnthus with exposure to one of the nation's biggest markets, with a state-wide population of approximately 20 million people;
- One of only 10 licenses to be granted in New York;
- New York market has experienced considerable patient growth in 2017, up approximately 237% year to date.

As of November 21, 2017, there were 36,187 certified patients in New York:

- Governor Cuomo signed a bill on Veteran's Day that added post-traumatic stress disorder to New York's list of qualifying conditions;
- Chronic pain was added as a qualifying condition in March and has been a key driver of patient growth; and
- In August, the state expanded the list of allowable medical cannabis products to include topicals, tablets, lozenges, and certain non-smokable forms of ground plant material.
- Citiva operating plan is underway:
 - Cultivation facility in engineering phase; looking to start buildout in Q1;
 - Pursuing strategic initiatives for access to wholesale product;
 - Citiva was granted dispensary locations in two New York City boroughs, Brooklyn and Staten Island, in addition to Dutchess County and Chemung County;
 - Citiva's Brooklyn dispensary is expected to be one of only two competitors operating within a borough of 2.6 million people, and its Staten Island dispensary is expected to be the only licensee within a borough of 500,000 residents; and
 - Citiva is in the final stages of securing leases for its four dispensary locations.
- Total investment to date: US\$0.5 million loan.

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

- Massachusetts continues to show robust patient growth with 42,361 active registered patients, a 26% increase year to date:
 - There are currently 15 dispensaries in Massachusetts, and management estimates that at least three of these dispensaries are generating in excess of US\$10-12 million of run-rate revenues; and
 - State on track to allow recreational sales in 2018.
- Mayflower continues to move forward on its operating plan:
 - Final stages of receiving final Department of Health approval;
 - We expect Mayflower to achieve production by early Q1; first revenue in Q2;
 - Construction on the Boston dispensary is scheduled to be complete in Q1; and
 - Expanded the Mayflower team by 40% including the addition of a new Cultivation Manager.
- iAnthus is currently working with Mayflower and its management company, Pilgrim Rock, to finalize iAnthus' 79% equity ownership in Pilgrim Rock, which will provide a broad range of real estate and equipment leasing, IP licensing and professional services to Mayflower. We anticipate this to be completed in the fourth quarter of 2017; and
- Total investment to date: US\$11.6 in loans to Pilgrim Rock and Mayflower.

Florida - GrowHealthy Holdings, LLC ("GrowHealthy") Highlights:

- Florida continues to show strong growth since its implementation of full-strength medical cannabis rules in June 2017. There are 54,251 registered patients and 1,233 qualified physicians as of November 21, 2017, representing ~178% and ~41% growth, respectively, and the program is adding approximately 229 patients and two physicians per day;
- GrowHealthy continues to be a leader in the Florida market:
 - First delivery on November 13, 2017;
 - Secured a lease agreement for its flagship dispensary in a high traffic area of West Palm Beach with ~70,000 cars per day;
 - GrowHealthy has over 200 pounds of flower on site ready for processing, and 1,300 grams of distillate ready for sale;
 - Over 25,000 square feet of the cultivation and processing facility has been built out to-date, fitted with appropriate areas for extraction, packaging, vegetation and flowering.
- iAnthus purchased 6.1% equity in GrowHealthy in the third quarter and is currently in exclusive negotiations with GrowHealthy regarding a further strategic partnership between the parties.
- Total investment to date is US\$3.0 million in preferred stock and fully drawn US\$2.0 million loan.

Vermont - Grassroots Vermont ("Grassroots") Highlights:

- Year to date sales through 3Q 2017 totaled US\$0.7 million, an increase of 51% year over year same period;
 - Patients registered with Grassroots have increased by 77% compared to end of 3Q 2016, indicating that sales growth should remain strong for the coming quarters; and
 - Average spend per patient through November 2017: US\$296.00.
- Grassroots recently completed significant upgrades and changes including:
 - A new leadership team; and

- Improved environmental controls at cultivation facility to boost yield and improve quality.
- A recent submission to open an additional dispensary location in one of the more densely populated areas of Vermont is under review;
- Legislative changes from earlier in 2017 allow for Grassroots to convert from a non-profit corporation to a for-profit corporation:
 - iAnthus is currently working with Grassroots to convert its loan and services contract into a controlling equity position in a for-profit entity.
- Total investment to date: US\$0.9 million loan.

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

- The Colorado market continues to grow year-over-year with expected sales of US\$1.23 billion in medical and recreational cannabis sales through November 2017, a 4% increase from 2016;
- In Breckenridge, Colorado, Organix is one of four dispensaries and has generated US\$2.9 million in gross sales during the first three quarters of 2017. This constitutes an approximate 29% share of the local market;
 - Cultivation upgrades have been completed and are expected to improve yields in time for the busy ski season;
 - iAnthus has revamped the management team at Organix, resulting in immediate increases in sales and market share;
 - Serving ~4,554 recreational customers and patients per month:
 - Average sale per recreational customer: US\$49.60; and
 - Average sale per medical patient: US\$59.60.
- 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 to Organix; and
- Total investment to date is US\$5.2 million.

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

- RGA realized US\$5.8 million in sales across its three managed licenses for 2017 year to date, an 85% increase over the same period in 2016;
 - Revenues topped US\$2.0 million in Q3 2017.
- In Q3 2017, over 6,000 unique patients per month made purchases;
 - Average sale per patient: US\$44.00;
- iAnthus has invested US\$2.3 million and currently owns 24.9% of RGA.

This news release should be read in conjunction with iAnthus' Management Discussion and Analysis ("MD&A") and the Condensed Interim Consolidated Financial Statements for the quarter ended September 30, 2017, which are available under the Company's SEDAR profile at www.sedar.com. The MD&A also includes iAnthus' disclosure with respect to the CSA Staff Notice.

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 uses these skills to support operations across five states. 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 closing of the Citiva transaction, the number of competitors for Citiva's proposed dispensary in Brooklyn, New York, the status of Mayflower's production, the conversion of loans to majority control equity positions, 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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