iAnthus Closes Acquisition of Citiva Medical and Citiva USA, Gaining Access to New York's Population of Approximately 20 Million People

Company to Host a Conference Call at 9:00am ET on Thursday, February 1, 2018 to Discuss Acquisition and Operational Updates in Massachusetts and Florida

NEW YORK, NY and Toronto, ON – February 1, 2018 – iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: IAN, OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, is pleased to announce that it has acquired Citiva Medical, LLC ("Citiva NY"), which holds one of the ten vertically integrated medical marijuana "Registered Organization" licenses issued by New York State, and Citiva, LLC ("Citiva USA" and, together with Citiva NY, "Citiva"), the owner of certain regulated cannabis industry assets and intellectual property (the "Acquisition"). With the closing of the Citiva acquisition, iAnthus' regulated cannabis industry operations now span six states, including three of the most populous states on the East Coast (New York, Florida and Massachusetts).

Pursuant to the transaction, iAnthus acquired 100% of Citiva for approximately US$18.0 million, consisting of US$3.6 million payable in cash and US$14.4 million satisfied in iAnthus shares, at a deemed price per share of US$2.57.[1]

As one of only ten (10) Registered Organizations under the New York medical cannabis program, Citiva NY's license includes a cultivation and processing facility and four dispensary locations to be located in Brooklyn, Staten Island, Dutchess County and Chemung County. Citiva's proposed 2,000 square-foot flagship Brooklyn dispensary is slated to open in Q4 2018, and will be one of only two dispensaries located in New York City's most populous borough, with 2.6 million residents. Citiva's Staten Island dispensary, which will be the only Registered Organization serving Staten Island's 500,000 residents, is also slated to open in Q4 2018. The Dutchess County and Chemung County dispensaries, serving a population of 300,000 and 70,000 respectively, are currently projected to open in Q2 2019.

iAnthus anticipates completing the purchase of 8.2 acres of land located in Orange County and beginning the buildout of its cultivation facility in Q1 2018. The Company has an option to purchase an additional 6.2 acres at a later date at the same location. Phase 1 of the buildout, which is projected to be complete in February 2019, will create 27,500 square-feet of cultivation space to support up to 1,470,000 grams of total flower capacity per year. Phase 2 of the buildout, which is expected to begin in Q3 2020 and complete construction by Q1 2021, is expected to expand the facility to 43,000 square-feet and support 2,940,000

[1] See "Transaction Details" below.

grams of total flower capacity. Citiva is currently in advanced discussions with one or more Registered Organizations to implement a wholesale agreement in order to begin sales of medical cannabis products in Q4 2018.

"We're excited to be partnering with a Citiva team with deep roots in New York, and which has a sophisticated understanding of how to build healthcare companies in the state. Kim Volman, the Chief Executive Officer of Citiva, has previously built a highly successful pharmacy business in Brooklyn specializing in personalized medicine. We expect that experience to translate well into developing an effective medical cannabis business throughout the state," said Hadley Ford, CEO of iAnthus. "With the closing of the New York transaction, iAnthus now has operations in six states, and is currently the only publicly traded company which holds a New York Registered Organization."

"We look forward to working closely with doctors throughout the state and implementing robust patient education programs," said Volman. "Citiva was founded by a team of pharmacists and doctors with more than 30 years of combined experience, so we feel extremely comfortable working directly with the state's medical community."

Background on the New York State Medical Marijuana Program

The New York Medical Marijuana Program (the "Program") began accepting patients in December 2015 and has currently registered 42,429 patients. The Program has expanded in recent months to increase the accessibility of medical marijuana to patients through the addition of Post-Traumatic Stress Disorder (PTSD) as a qualifying condition, signed by Governor Andrew Cuomo on Veterans Day 2017. Other recent innovations by the state have included the implementation of home delivery, allowing nurse practitioners and physician assistants to issue medical cannabis recommendations to patients, and adding chronic pain the list of approved medical indications.

While the medical cannabis program is still growing, the recent regulatory improvements have significantly accelerated patient growth:

- From December 31, 2015 to March 16, 2017 (prior to the addition of chronic pain): The Program added an average of 33 patient registrations per day. 14,437 patients were registered on March 16, 2017 prior to the implementation of chronic pain as a qualifying condition;
- From March 30, 2017 to May 8, 2017 (post the addition of chronic pain): The Program added an average of 75 patient registrations per day, up 130% from the December 2015 - March 2017 period; and
- From May 8, 2017 to January 23, 2018 (post the publication of qualifying practitioners): The Program added an average of 92 patient registrations per day, up ~180% from the December 2015 - March 2017 period. 42,429 patients were registered on January 23, 2018.

As of January 2018, the state expanded the list of allowable medical cannabis ingestion methods to include vaporization, tinctures, capsules, ointments, lotions, patches, tablets, lozenges, and certain non-smokable forms of ground plant material. Governor Cuomo recently announced his intention to launch a study examining the effects of an adult-use cannabis program in New York in his 2018 Executive Budget Address.

Transaction Details

iAnthus acquired 100% of Citiva NY for US$12.0 million, with US$2.4 million payable in cash and approximately US$9.6 million satisfied in iAnthus common shares and Class A convertible restricted shares, each at a price of US$2.57 per share. iAnthus acquired 100% of Citiva USA for US$6.0 million, with US$1.2 million payable in cash and approximately US$4.8 million satisfied in iAnthus common shares and Class A convertible restricted shares, each at a price of US$2.57 per share.

The securities issued by iAnthus in connection with the acquisition of Citiva are issued on a prospectus exempt basis and are subject to: (i) a hold period in Canada of four months and a day from the date of issuance; and (ii) an applicable US securities law legend.

The Company does not expect the acquisition of Citiva to be a "significant acquisition" for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Conference Call and Webcast Details

The Company will hold a conference call for financial analysts and investors at 9:00am ET on Thursday, February 1, 2018 to discuss the Citiva transaction. A presentation will be available for download on the iAnthus Investor Relations web page shortly before the start of the call. The call will be archived and available on iAnthus' website for replay. Please visit http://ir.ianthuscapital.com/ to download a copy of the presentation or to access the archived conference call.

Dial In Number: (866) 393-4318 or international: (409) 350-3153
Conference ID: 8788029
Webcast: https://edge.media-server.com/m6/p/5gj3pk55

A replay of the call will be available for 7 days by dialing:

Replay Number: (855) 859-2056 or international: (404) 537-3406
Conference ID: 8788029

About iAnthus Capital Holdings, Inc.

iAnthus Capital Holdings, Inc. owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the United States, providing investors diversified exposure to the U.S. regulated cannabis industry. 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 six states. For more information, visit www.iAnthusCapital.com.

About Citiva Medical, LLC and Citiva, LLC

The Citiva companies are led by Kim Volman, a registered pharmacist and successful entrepreneur who founded a medical business with over US$50 million in annual revenues that includes a long-term care pharmacy, retail pharmacies, and a compounding pharmacy focused on pain management, with four locations in and around New York City. Mr. Volman earned a B.S. in Pharmaceutical Science from St. John's University in 1997, and serves as a preceptor for the University at Buffalo School of Pharmacy and

Pharmaceutical Sciences, educating students in retail pharmacy practice, direct patient care, alternative medicinal treatment modalities, and business skills. In 2016, Mr. Volman was appointed to the faculty of LIU Schwartz College of Pharmacy and Health Sciences where he serves as a clinical instructor.

Frank Turano serves as Citiva's Chief Financial Officer. Mr. Turano earned a B.S. in Economics, with a dual concentration in Accounting & Finance from the Wharton School at the University of Pennsylvania, where he graduated *magna cum laude* in 1990. Mr. Turano served as the CFO of his family business in Brooklyn, NY for 15 years, where he helped grow the business to over US$35 Million in annual sales while managing 125+ employees, spread over three national distribution centers. Since 2008, Mr. Turano has been involved in several start-up ventures, most recently serving as CFO for Calmare Pain Relief Solutions (CPRS), the largest provider in the U.S. of a non-narcotic, non-invasive treatment for chronic neuropathic pain known as Calmare Therapy.

David Palmieri serves as Citiva's Chief Operating Officer. Mr. Palmieri has led the development of Citiva's flagship research, cultivation, and product development center, and has worked with medical professionals and universities both internationally and across the US to promote and develop partnerships for cannabis research. Mr. Palmieri led the development of Citiva's cultivation, extraction and product development center partnership with the University of West Indies in Jamaica, which includes a cannabinoid research facility and open space greenhouse.

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 the proposed cultivation facility located in Orange County, NY, the prior management experience of Citiva NY management team, the transaction being a “significant acquisition” for the purposes of National Instrument 51-102 – *Continuous Disclosure Obligations*, and other statements of fact.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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