

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 REPORTING ISSUER

iAnthus Capital Holdings, Inc. (“iAnthus” or the “Company”)
Suite 1980, 1075 West Georgia Street
Vancouver, B.C. V6E 3C9
Tel: 212-479-2572

ITEM 2 DATE OF MATERIAL CHANGE

October 27, 2016

ITEM 3 NEWS RELEASE

News release issued through the services of Stockwatch and filed on SEDAR.

ITEM 4 SUMMARY OF MATERIAL CHANGE

The Company has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Beacon Securities Limited (the “Underwriters”) pursuant to which the Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of units (the “Units”) at a price of \$2.10 per Unit (the “Offering Price”) for aggregate gross proceeds to iAnthus of \$15,015,000 (the “Offering”).

The Company has agreed to grant the Underwriters an over-allotment option (the “Over-Allotment Option”) to purchase up to an additional 1,072,500 Units at the Offering Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the Closing Date. If the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering will be \$17,267,250.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

The Company has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Beacon Securities Limited (the “Underwriters”) pursuant to which the Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of units (the “Units”) at a price of \$2.10 per Unit (the “Offering Price”) for aggregate gross proceeds to iAnthus of \$15,015,000 (the “Offering”).

Each Unit will be comprised of one common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”). Each Warrant will be exercisable to acquire one Common Share (a “Warrant Share”) for a period of one year following the closing date of the Offering (the “Closing Date”) at an exercise price of \$3.00 per Warrant Share. The Warrants will be subject to a 30-day forced exercise provision if the Company's daily volume weighted average share price is greater than \$4.00 for 15 consecutive trading days.

The Company has agreed to grant the Underwriters an over-allotment option (the “Over-Allotment Option”) to purchase up to an additional 1,072,500 Units at the Offering Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the Closing Date. If the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Offering will be \$17,267,250.

The Units will be offered by way of a short form prospectus to be filed in all provinces of Canada, except Quebec. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes. The Offering is expected to close on November 17, 2016 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

N/A

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) or (3) OF NATIONAL INSTRUMENT 51-102

N/A

ITEM 7 OMITTED INFORMATION

N/A

ITEM 8 EXECUTIVE OFFICERS

Mr. Julius Kalcevich
Chief Financial Officer
Tel: +212.479.2572

ITEM 9 DATE OF REPORT

October 27, 2016