

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 28, 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 a revised agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Beacon Securities Limited (the “Underwriters”) to increase the size of its previously announced bought deal financing to an offering of 9,525,000 Units (the “Units”) at a price of \$2.10 per Unit (the “Offering Price”) for aggregate gross proceeds to iAnthus of \$20,002,500 (the “Upsized Offering”).

The Company will not be granting the Underwriters an over-allotment option in connection with the Upsized Offering.

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 Upsized Offering for working capital and general corporate purposes. The Upsized 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.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

The Company has entered into a revised agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Beacon Securities Limited (the “Underwriters”) to increase the size of its previously announced bought deal financing to an offering of 9,525,000 Units (the “Units”) at a price of \$2.10 per Unit (the “Offering Price”) for aggregate gross proceeds to iAnthus of \$20,002,500 (the “Upsized Offering”).

As previously announced, 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 Upsized 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.

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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 28, 2016