

IANTHUS CAPITAL HOLDINGS INC.

\$15,015,000

OFFERING OF UNITS

October 27, 2016

A preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada other than Quebec. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. The preliminary prospectus is still subject to completion. Copies of the preliminary prospectus may be obtained from Canaccord Genuity Corp., P.O. Box 516, 161 Bay Street, Suite 3000, Toronto, ON, M5J 2S1. Information has been incorporated by reference in the short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from iAnthus Capital Holdings, Inc., 420 Lexington Avenue, Suite 300, New York, New York, 10170, and are also available electronically at www.sedar.com.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

For United States Investors: The securities described in the document have not been and will not be registered under the Securities Act of 1933. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary U.S. private placement memorandum and the final U.S. private placement memorandum and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered and differences between offerings conducted by non-U.S. issuers, before making an investment decision.

Issuer:	iAnthus Capital Holdings Inc. (“Company”).
Size of Offering:	\$15,015,000 (the “Offering”).
Offering Price:	\$2.10 per Unit.
Offered Securities:	Units of the Company each comprised of one common share (the “Common Shares”) and one-half of one warrant (each whole warrant a, “Warrant”).
Warrants	Each Warrant entitles the holder thereof to acquire one Common Share for an exercise price of \$3.00 per Common Share for a period of 1 year following the Closing Date. Each Warrant 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.
Over-Allotment Option:	The Underwriters will have the option (the “Over-Allotment Option”) to acquire up to 15% additional Units to cover over-allotments and for market stabilization purposes, exercisable within 30 days of the closing of the Offering.
Terms:	“Bought deal” prospectus offering.
Offering Jurisdictions:	All provinces of Canada, other than the Province of Quebec, in the United States by way of private placement to qualified institutional investors and outside of Canada and the United States on a private placement or equivalent basis.
Exchange:	Canadian Securities Exchange.
Eligibility:	The Offered Securities shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSA and DPSPs.
Use of Proceeds:	For acquisition financing, other capital projects and other general corporate purposes.

Commission: 7% of the gross proceeds raised in respect of the Offering (including the Over-Allotment Option) plus broker warrants to purchase up to an additional 7% of the number of Units sold in the Offering. The Underwriting Fee and Broker Warrants will be reduced to 3.5% and 3.5% respectively on subscriptions received from subscriptions by persons included on a president's list.

Closing Date: On or about November 17, 2016.

Lead Underwriter: Canaccord Genuity Corp. shall act as sole book-runner and lead underwriter for a syndicate of underwriters (collectively, the "**Underwriters**").