

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 REPORTING ISSUER

iAnthus Capital Holdings, Inc. (“iAnthus” or the “Company”)
Suite 300, 420 Lexington Avenue
New York, New York 10170
Tel: 212-479-2572

ITEM 2 DATE OF MATERIAL CHANGE

November 18, 2016.

ITEM 3 NEWS RELEASE

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

ITEM 4 SUMMARY OF MATERIAL CHANGE

The Company has closed its previously announced offering of 9,525,000 units of the Company (the “Units”) at a price of \$2.10 per Unit for aggregate gross proceeds to the Company of \$20,002,500 (the “Bought Deal Offering”). The Units in the Bought Deal Offering were offered and sold by way of a short form prospectus filed in each of the provinces of Canada, excluding the province of Québec.

The Company has also closed its previously announced non-brokered private placement of 715,520 Units at the Offering Price per Unit for aggregate gross proceeds to iAnthus of \$1,502,592 (the “Private Placement”). The Underwriters were not involved, directly or indirectly, in the offer and sale of the Units pursuant to the Private Placement. The Units issued pursuant to the Private Placement are subject to a statutory hold period lasting until March 19, 2017.

One director of the Company participated in the Bought Deal Offering and was issued 70,000 Units. Another director of the Company participated in the Private Placement and was issued 63,000 Units.

The securities issued pursuant to the Bought Deal Offering and Private Placement have not been, and will not 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.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

The Company has closed its previously announced offering of 9,525,000 Units of the Company (the “Units”) at a price of \$2.10 per Unit (the “Offering Price”) for aggregate gross proceeds to the Company of \$20,002,500 (the “Bought Deal Offering”). The Bought Deal Offering was completed by a syndicate of underwriters led by Canaccord Genuity Corp., as lead underwriter and sole bookrunner, and including Beacon Securities Limited (together, the “Underwriters”).

Each Unit is 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 is exercisable to acquire one Common Share (a “Warrant Share”) until November 18, 2017 (one year from the closing date) at an exercise price of \$3.00 per Warrant Share, subject to adjustment and acceleration in certain events. The Warrants are 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. Please note that the original new release dated November 18, 2016 stated that the expiry date of the Warrants was November 18, 2018 instead of the correct expiry which is November 18, 2017, subject to adjustment and acceleration in certain events.

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One director of the Company participated in the Bought Deal Offering and was issued 70,000 Units. Another director of the Company participated in the Private Placement and was issued 63,000 Units. Such participation constituted a “related party transaction” within Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The issuance to the insiders is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the Units issued to, or the consideration paid by such persons, did not exceed 25% of the Company’s market capitalization.

The Company intends to use the net proceeds from the Bought Deal Offering and Private Placement for working capital and general corporate purposes.

The securities issued pursuant to the Bought Deal Offering and Private Placement have not been, and will not 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 news 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

November 21, 2016