



iAnthus Announces Update to Proposed Acquisition of Citiva

NEW YORK, NY and TORONTO, ON – August 21, 2017 – 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, announces that it has advanced US\$500,000 to Citiva Medical, LLC (“Citiva NY”) pursuant to a secured promissory note (the “Promissory Note”). The Promissory Note has a term of one year, subject to acceleration in certain events, and yields interest at a rate of up to 20%.

The Promissory Note was funded in connection with the letter of intent to acquire Citiva NY, which holds one of the ten vertically integrated medical marijuana licenses in 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 proposed acquisition is subject to New York State Department of Health regulatory approval, Canadian Securities Exchange approval and completion of definitive legal documentation between parties. For further details on the proposed acquisition of Citiva see the Company’s news release dated August 14, 2017 (a copy of which is available under iAnthus’ SEDAR profile).

About iAnthus Capital Holdings, Inc.

iAnthus Capital Holdings, Inc. provides investors diversified exposure to best-in-class licensed cannabis cultivators, processors and dispensaries throughout the United States. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. The Company harnesses these skills to support operations across five states. For more information, visit www.iAnthuscapital.com.

About Citiva Medical, LLC and Citiva USA, 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 \$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 statements related to acquisitions of a license in New York State and completion of the proposed transaction with Citiva.

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.

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