



New Legislation to Improve Vermont's Medical Cannabis Program

iAnthus and Grassroots Vermont weigh in on new legislation in Vermont that significantly expands the state's medical marijuana program

TORONTO, ON and NEW YORK, NY – July 17, 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, provides the following update on the completion of the 2017 Vermont legislative session and the passage into law of S.16, a bill that significantly expands the state's medical cannabis program.

As the sole provider of financing and management services to Grassroots Vermont ("Grassroots"), one of the four non-profit entities currently licensed to dispense medical cannabis to patients across the state, iAnthus views Governor Scott's recent signing of S.16 as a significant stepping stone for the expansion of the state's legal cannabis market. S.16 adds Crohn's Disease, Parkinson's Disease, and Post-Traumatic Stress Disorder to Vermont's list of qualifying conditions. The new law also provides Grassroots with the ability to expand its operations by opening an additional dispensary location, in addition to its existing dispensary in Brandon.

"We support the efforts made by the state to make the medical cannabis program more accessible to Vermont's qualified patients," says Alex Ford, Executive Director of Grassroots. "We look forward to securing our second dispensary location so that we can provide more patients with the highest quality, affordable medical cannabis."

Grassroots is currently upgrading its cultivation facility in Brandon, Vermont. The improvements are expected to increase yields, support consistent harvest cycles, and improve product quality year-round, and is expected to be completed in Q3 2017. This infrastructure, combined with operational expertise provided by iAnthus, has laid the foundation for ample production capacity to serve a significantly larger patient population from the new medical expansion if required.

During Vermont's 2017 legislative session, lawmakers also considered the legalization of cannabis for adult use. While an adult use bill was passed by both the Vermont House and Senate, the bill was vetoed by the Governor, who nevertheless indicated a willingness to support adult use legislation in the future provided that certain concerns were addressed to his satisfaction. With the legalization of adult use in Massachusetts and Maine this past November, it is expected that an amended version of the 2017 bill will be considered during the next legislative session. If passed, Vermont's adult use cannabis market could exceed US\$100 million, according to the 2015 "Considering Marijuana Legalization – Insights for Vermont and Other Jurisdictions" report from the RAND Corporation.

"While it is impossible to be certain that the state will revisit legalization of cannabis for adult use in the 2018 legislative session, Governor Scott has certainly expressed his willingness to work with lawmakers on this initiative, and I believe we are likely to see another adult use bill proposed in the next legislative session," said Randy Maslow, President of iAnthus.

S.16 also allows existing license holders to convert from a non-profit organization into a for-profit entity, an opportunity that Grassroots is currently exploring with iAnthus. As of June 30, 2017, iAnthus has provided Grassroots with a credit facility of US\$775,000.

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 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 a diversified portfolio of cannabis industry investments for our shareholders. For more information, visit www.iAnthuscapital.com.

About Grassroots Vermont

Grassroots Vermont provides pure, effective and affordable medical marijuana to patients across Vermont from its Rutland County dispensary. Founded and operated by a local Vermont family, Grassroots provides patients with a healthier approach to natural wellness. Grassroots cultivates its own indoor marijuana using health-conscious methods and offers a variety of world-class, natural products. For more information, visit www.grassrootsvermont.com.

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 the completion of the upgrades to Grassroots' cultivation facility in Brandon, Vermont, Vermont marijuana market updates, and the development and expansion of Vermont's medical cannabis market.

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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