

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

<b>IANTHUS CAPITAL HOLDINGS, INC.</b>	<b>(the "Issuer")</b>	<b>IAN</b>
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Date: **October 17, 2019**

Is this an updating or amending Notice:

☒ Yes

☐ No

If yes provide date(s) of prior Notices: **September 30, 2019**

Issued and Outstanding Securities of Issuer Prior to Issuance: **171,584,883 Common Shares**

#### **Pricing**

Date of news release announcing proposed issuance: **September 30, 2019** or

Date of confidential request for price protection: **N/A**

Closing Market Price on Day Preceding the news release: **C\$2.01 as at September 27, 2019 (approx. US\$1.52 using BOC CAD/US rate of 0.7548 on September 27, 2019)**

or

Day preceding request for price protection: **N/A**.

#### **Closing**

Number of securities to be issued: **US\$20,000,000 aggregate principal amount of convertible debentures (the "Debentures") along with 10,582,011 Exchange Warrants and 5,076,142 Debenture Warrants**

Issued and outstanding securities following issuance: **171,584,883 Common Shares**

**Note 1:** The amended note purchase agreement, dated September 30, 2019, entered into by, *inter alia*, the Issuer and the parties thereto, including the purchasers listed in Table 1B (collectively the "GGP Funds") provides the GGP Funds with the right to purchase additional convertible debentures up to an aggregate principal amount of \$66.5 million, on the same terms and conditions as the offering of Debentures, and in one or more tranches, provided such tranches are closed within 45 days of the date hereof.

**Note 2:** In addition, Gotham Green Fund 1 LP and Gotham Green Credit Partners SPV 1 LP, purchasers of the Issuer's previously issued 13.0% secured convertible debentures due May 14, 2021, which were issued on May 14, 2018 (the "2018 Debentures"), waived its right to receive the quarterly cash interest payment due on September 30, 2019 and instead determined to receive such interest payment (in the amount of US\$1,357,777.78

**(C\$1,798,857.68) as a payment “in kind” on September 30, 2019 (the “PIK Payment”), which shall accrue and be added to the principal amount of such 2018 Debentures.**

**Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL placees.

## Part 1. Private Placement

**Table 1A – Summary**

<i>Each jurisdiction in which purchasers reside</i>	<i>Number of Purchasers</i>	<i>Price per Security</i>	<i>Total dollar value (CDN\$) raised in the jurisdiction</i>
United States of America	4	--	US\$20,000,000 (C\$26,497,085.32)
		--	
Total number of purchasers:	4		
Total dollar value of distribution in all jurisdictions:			US\$20,000,000 (C\$26,497,085.32)

\*Bank of Canada exchange rate as at September 27, 2019: C\$1.00 = US\$0.7548.

**PIK Payment**

<i>Each jurisdiction in which purchasers reside</i>	<i>Number of Purchasers</i>	<i>Price per Security</i>	<i>Total dollar value (CDN\$) raised in the jurisdiction</i>
United States of America	2	--	US\$1,357,777.78 (C\$1,798,857.68)
Total number of purchasers:	2		
Total dollar value of distribution in all jurisdictions:			US\$1,357,777.78 (C\$1,798,857.68)

\*Bank of Canada exchange rate as at September 27, 2019: C\$1.00 = US\$0.7548.

**Table 1B – Related Persons**

<b>Full Name &amp; Municipality of Residence of Placee</b>	<b>Number of Securities Purchased or to be Purchased</b>	<b>Purchase price per Security (CDN\$)</b>	<b>Conversion Price (if Applicable) (CDN\$)</b>	<b>Prospectus Exemption</b>	<b>Total Securities Previously Owned, Controlled or Directed</b>	<b>Payment Date(1)</b>	<b>Description of relationship to Issuer (2)</b>
Gotham Green Fund 1, L.P. 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$1,999,750 Debenture <sup>(1)</sup> (C\$2,649,377.32)	US\$1,999,750 <sup>(1)</sup> (C\$2,649,377.32)	---	s.2.3 of OSC Rule 72-503	US \$11,600,000 – 2018 Debentures <sup>(4)</sup> 3,766,234 – 2018 Exchange Warrants <sup>(5)</sup> convertible into common shares at a	September 30, 2019	Related Person

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					conversion price of US\$3.08 per share  1,934,408 – 2018 Debenture Warrants <sup>(6)</sup> exercisable at US\$3.60 per share  1,128,405 warrants exercisable at US\$3.86 per share		
	1,058,069 Exchange Warrants <sup>(2)</sup>		US\$1.89 (C\$2.50)	s.2.3 of OSC Rule 72-503	---	---	---
	507,551 Debenture Warrants <sup>(3)</sup>		US\$1.97 (C\$2.61)	s.2.3 of OSC Rule 72-503	---	---	---
Gotham Green Fund 1 (Q), L.P. 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$8,000,250 Debenture <sup>(1)</sup> (C\$10,599,165.34)	US\$8,000,250 <sup>(1)</sup> (C\$10,599,165.34)	---	s.2.3 of OSC Rule 72-503	Nil	September 30, 2019	Related Person
	4,232,937 Exchange Warrants <sup>(2)</sup>	---	US\$1.89 (C\$2.50)	s.2.3 of OSC Rule 72-503	---	---	---
	2,030,520 Debenture Warrants <sup>(3)</sup>	---	US\$1.97 (C\$2.61)	s.2.3 of OSC Rule 72-503	---	---	---
Gotham Green Fund II, L.P. 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$1,466,300 Debenture <sup>(1)</sup> (C\$1,942,633.81)	US\$1,466,300 <sup>(1)</sup> (C\$1,942,633.81)	---	s.2.3 of OSC Rule 72-503	Nil	September 30, 2019	Related Person
	775,820 Exchange Warrants <sup>(2)</sup>	---	US\$1.89 (C\$2.50)		---	---	---

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	372,157 Debenture Warrants <sup>(3)</sup>	---	US\$1.97 (C\$2.61)		---	---	---
Gotham Green Fund II (Q), L.P. 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$8,533,700 Debenture <sup>(1)</sup>  (C\$11,305,908.85)	US\$8,533,700.00 <sup>(1)</sup>  (C\$11,305,908.85)	---	s.2.3 of OSC Rule 72-503	Nil	September 30, 2019	Related Person
	4,515,185 Exchange Warrants <sup>(2)</sup>	---	US\$1.89 (C\$2.50)		---	---	---
	2,165,914 Debenture Warrants <sup>(3)</sup>	---	US\$1.97 (C\$2.61)		---	---	---
<b>PIK PAYMENT</b>							
Gotham Green Fund 1, L.P. 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$393,755.56 - 2018 Debenture <sup>(4)</sup> (PIK Payment) (C\$ \$521,668.73)	US\$393,755.56 (C\$ \$521,668.73)	--	s.2.3 of OSC Rule 72-503	See above.	September 30, 2019	Related Person
	127,842 - 2018 Exchange Warrants <sup>(5)</sup>	--	US\$3.08 (C\$4.08)	s.2.3 of OSC Rule 72-503	---	---	---
Gotham Green Credit Partners SPV 1 LP 1437 4th Street, Suite 200 Santa Monica, CA 90401 USA	US\$964,022.22-2018 Debenture <sup>(4)</sup> (PIK Payment) (C\$1,277,188.95)	US\$964,022.22- (C\$1,277,188.95)	--	s.2.3 of OSC Rule 72-503	Nil	September 30, 2019	Related Person
	312,994 – 2018 Exchange Warrants <sup>(5)</sup>	--	US\$3.08 (C\$4.08)	s.2.3 of OSC Rule 72-503	---	---	---

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\*Bank of Canada exchange rate as at September 27, 2019: C\$1.00 = US\$0.7548.

(1) Principal amount of senior secured debentures (the “**Debentures**”) at an interest rate of 13% per annum, payable quarterly in arrears, commencing December 31, 2019. Interest is computed on the basis of a 360-day year composed of twelve 30-day month. The Debentures and accrued interests are due 36 months from the Debenture Closing Date (the “**Debenture Maturity Date**”) and may be extended, subject to an extension fee of US\$1,000,000, to 12 months from the Debenture Closing Date.

(2) Each Exchange Warrant is exercisable to acquire Shares (the “**Exchange Warrant Shares**”) at the Exchange Warrant Exercise Price, and is exercisable until May 14, 2021, subject to extension for a period of additional 12 months if the Debentures are extended. The Exchange Warrant Exercise Price is payable by the assignment by the warrant holder of the principal amount and, at the warrant holder’s option, interest and accrued fees to the Issuer in accordance with the terms of the Exchange Warrant certificate.

(3) Each Debenture Warrant is exercisable to purchase one Share at the Debenture Warrant Price for a period of 36 months from the Debenture Closing Date which shall be extended to 12 months if the Debenture Maturity Date is extended to 12 months as provided for herein.

#### PIK Payment – 2018 Debentures

(4) PIK Payment of 2018 Debentures, which have an interest rate of 13% per annum, payable quarterly in arrears. Interest is computed on the basis of a 360-day year composed of twelve 30-day month. The 2018 Debentures and accrued interests are due May 14, 2021 and may be extended, subject to an extension fee of US\$1,000,000, to May 14, 2022.

(5) Each 2018 Exchange Warrant is exercisable to acquire Shares at US\$3.08, and is exercisable until May 14, 2021, subject to extension for a period of additional 12 months if the 2018 Debentures are extended. The exercise price is payable by the assignment by the warrant holder of the principal amount and, at the warrant holder’s option, interest and accrued fees to the Issuer in accordance with the terms of the 2018 Exchange Warrant certificate.

(6) Each 2018 Debenture Warrant is exercisable to purchase one Share for US\$3.60 until May 14, 2021, subject to extension for an additional 12 months if the 2018 Debentures are extended.

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: **US\$20,000,000 (C\$26,497,085.32)**.
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. **To fund the development of the Issuer’s existing assets and for general working capital purposes.**
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: **N/A**.
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.  
**N/A**
5. Description of securities to be issued:

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- (a) Class:\_\_\_\_\_.
- (b) Number \_\_\_\_\_.
- (c) Price per security \_\_\_\_\_.
- (d) Voting rights \_\_\_\_\_.

6. Provide the following information if warrants, (options) or other convertible securities are to be issued:

- (a) Number **5,076,142 Debenture Warrants and 10,582,011 Exchange Warrants.**

**PIK Payment: 440,836 - 2018 Exchange Warrants.**

- (b) Number of securities eligible to be purchased on exercise of warrants (or options) **5,076,142 Common Shares underlying the Debenture Warrants and 10,582,011 Common Shares underlying the Exchange Warrants.**

**PIK Payment: 440,836 common shares underlying the 2018 Exchange Warrants.**

- (c) Exercise price: Warrants - **US\$1.97 (C\$2.61) – Debenture Warrants and US\$1.89 (C\$2.50) – Exchange Warrants**.

**PIK Payment: US\$3.08 (\$4.08) per 2018 Exchange Warrant**

- (d) Expiry date **Debenture Warrants - September 30, 2022 and Exchange Warrants – May 14, 2021 (subject to extension)**

**PIK Payment: 2018 Exchange Warrants – May 14, 2021 (subject to extension).**

7. Provide the following information if debt securities are to be issued:

- (a) Aggregate principal amount **US\$20,000,000 (C\$26,497,085.32)**.

- (b) Maturity date **May 14, 2021, subject to extension for an additional 12 months.**

(c) Interest rate **13.00% per annum computed on the basis of a 360-day year composed of twelve 30-day months, payable in arrears, commencing December 31, 2019.**

(d) Conversion terms: **The Debentures are not convertible. However, at any time after closing, the holders of Debentures shall have the right**

**to exchange the principal amount of the outstanding Debentures plus all accrued and unpaid interest and fees for Shares of the Issuer, at the Exchange Warrant Exercise Price.**

- (e) Default provisions Customary default provisions.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): **Gotham Green Fund 1, L.P. and Gotham Green Credit Partners SPV 1, L.P.**
- (b) Cash **US\$200,000 closing fee**.
- (c) Securities **N/A**.
- (d) Other **N/A**.
- (e) Expiry date of any options, warrants etc. **N/A**.
- (f) Exercise price of any options, warrants etc. **N/A**.
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship
- N/A.**
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).
- N/A**.
11. State whether the private placement will result in a change of control.
- No.**
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. **N/A.**



13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

**PIK Payment**

**Note:** For a detailed description of the terms of the 2018 Debentures (and related 2018 Exchange Warrants) issued as the PIK Payment, see the Issuer's CSE Form 9 filed on May 14, 2018.

**Part 2. Acquisition Not applicable.**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: \_\_\_\_\_.
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: \_\_\_\_\_.
3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: \_\_\_\_\_.
  - (b) Cash: \_\_\_\_\_.
  - (c) Securities (including options, warrants etc.) and dollar value: \_\_\_\_\_.
  - (d) Other: \_\_\_\_\_.
  - (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_.
  - (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_.
  - (g) Work commitments: \_\_\_\_\_.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: \_\_\_\_\_.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: \_\_\_\_\_.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_.
  - (b) Cash \_\_\_\_\_.
  - (c) Securities \_\_\_\_\_.
  - (d) Other \_\_\_\_\_.
  - (e) Expiry date of any options, warrants etc. \_\_\_\_\_.
  - (f) Exercise price of any options, warrants, etc. \_\_\_\_\_.
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated October 17, 2019.

Julius Kalcevich  
Name of Director or Senior  
Officer

"Julius Kalcevich"  
Signature

Chief Financial Officer  
Official Capacity

## **Appendix A**

### **PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9**

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.