**FORM 9**

**NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities)[[1]](#footnote-2)**

Please complete the following:

Name of Listed Issuer: iANTHUS CAPITAL HOLDINGS, INC. (the “**Issuer**”).

Trading Symbol: IAN.

Date: February 1, 2018.

Is this an updating or amending Notice: Yes **🗹**No

If yes provide date(s) of prior Notices: N/A

Issued and Outstanding Securities of Issuer Prior to Issuance: 40,002,932.

Date of News Release Announcing Private Placement: August 14, 2017 .

Closing Market Price on Day Preceding the Issuance of the News Release: $2.97

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

| **Full Name & Residential Address of Placee** | **Number of Securities Purchased or to be Purchased** | **Purchase price per Security (CDN$)** | **Conversion Price (if Applicable)** | **Prospectus Exemption** | **No. of Securities, directly or indirectly, Owned, Controlled or Directed** | **Payment Date(1)** | **Describe relations-hip to Issuer (2)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| N/A |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1. Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.
2. Indicate if Related Person.

# Total amount of funds to be raised: N/A.

# 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. .

# Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer:  .

# If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities.

# Description of securities to be issued:

## Class .

## Number .

## Price per security .

## Voting rights .

# Provide the following information if Warrants, (options) or other convertible securities are to be issued:

## Number .

## Number of securities eligible to be purchased on exercise of Warrants (or options) .

## Exercise price .

## Expiry date .

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

## Aggregate principal amount .

## Maturity date .

## Interest rate .

## Conversion terms .

## Default provisions .

# 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.):

## Details of any dealer, agent, broker or othe r person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): .

## Cash .

## Securities .

## Other .

## Expiry date of any options, warrants etc. .

## Exercise price of any options, warrants etc. .

1. 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 .
2. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).

 .

1. State whether the private placement will result in a change of control.

 .

**2. Acquisition**

# 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: The Issuer, which owns, operates, and partners with licensed cannabis operations throughout the United States, has acquired Citiva Medical, LLC ("**Citiva NY**"), which holds one of the ten vertically integrated medical marijuana "Registered Organization" licenses issued by 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 "**Acquisition**"). With the closing of the Citiva acquisition, the Issuer’s regulated cannabis industry operations now span six states, including three of the most populous states on the East Coast (New York, Florida and Massachusetts).

Pursuant to the transaction, the Issuer acquired 100% of Citiva for approximately US$18.0 million, consisting of US$3.6 million payable in cash and US$14.4 million satisfied in Issuer shares, at a deemed price per share of US$2.57.

As one of only ten Registered Organizations under the New York medical cannabis program, Citiva NY's license includes a cultivation and processing facility and four dispensary locations to be located in Brooklyn, Staten Island, Dutchess County and Chemung County. Citiva's proposed 2,000 square-foot flagship Brooklyn dispensary is slated to open in Q4 2018, and will be one of only two dispensaries located in New York City's most populous borough, with 2.6 million residents. Citiva's Staten Island dispensary, which will be the only Registered Organization serving Staten Island's 500,000 residents, is also slated to open in Q4 2018. The Dutchess County and Chemung County dispensaries, serving a population of 300,000 and 70,000 respectively, are currently projected to open in Q2 2019.

The Issuer anticipates completing the purchase of 8.2 acres of land located in Orange County and beginning the buildout of its cultivation facility in Q1 2018. The Company has an option to purchase an additional 6.2 acres at a later date at the same location. Phase 1 of the buildout, which is projected to be complete in February 2019, will create 27,500 square-feet of cultivation space to support up to 1,470,000 grams of total flower capacity per year. Phase 2 of the buildout, which is expected to begin in Q3 2020 and complete construction by Q1 2021, is expected to expand the facility to 43,000 square-feet and support 2,940,000 grams of total flower capacity. Citiva is currently in advanced discussions with one or more Registered Organizations to implement a wholesale agreement in order to begin sales of medical cannabis products in Q4 2018.

# 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:

iAnthus acquired 100% of Citiva NY for US$12.0 million, with US$2.4 million payable in cash and approximately US$9.6 million satisfied in iAnthus common shares and Class A convertible restricted shares, each at a price of US$2.57 per share. iAnthus acquired 100% of Citiva USA for US$6.0 million, with US$1.2 million payable in cash and approximately US$4.8 million satisfied in iAnthus common shares and Class A convertible restricted shares, each at a price of US$2.57 per share.

The securities issued by iAnthus in connection with the acquisition of Citiva are issued on a prospectus exempt basis and are subject to: (i) a hold period in Canada of four months and a day from the date of issuance; and (ii) an applicable US securities law legend.

The Company does not expect the acquisition of Citiva to be a "significant acquisition" for the purposes of Part 8 of National Instrument 51-102 -- Continuous Disclosure Obligations.

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.**

All certificates for securities issued to United States subscribers will also bear the following legend under the U.S. Securities Act of 1933, as amended:

**The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities may be offered, sold or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act; (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of clause (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.**

**The presence of this legend may impair the ability of the holder hereof to effect “good delivery” of the securities represented hereby on a Canadian Stock Exchange.**

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.

# 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:

\*Bank of Canada daily exchange rate @ Feb. 1, 2018: US$1.00 = C$1.2288

## Total aggregate consideration in Canadian dollars: US$18.0 million.

## Cash: CDN $4.42 million (US$3.6 million).

## Securities (including options, warrants etc.) and dollar value: 5,603,008 Common and Class A shares with aggregate value of CDN$17.69 million (US$14.4 million total – USD$2.57 deemed share price).

## Other: N/A .

## Expiry date of options, warrants, etc. if any: N/A.

## Exercise price of options, warrants, etc. if any: N/A .

## Work commitments: N/A .

# State how the purchase or sale price was determined (e.g. arm’s-length negotiation, independent committee of the Board, third party valuation etc). By arms-length negotiation.

# Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: None.

# 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 (USD$)** | **Conversion price (if applicable)** | **Prospectus Exemption** | **No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party** | **Describe relationship to Issuer (1)** |
| **(See attached Schedule “A”)** |  |  |  |  |  |  |

1. Indicate if Related Person

# Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Issuer completed legal due diligence.

# 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.):

## Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A  .

## Cash .

## Securities .

## Other .

## Expiry date of any options, warrants etc. .

## Exercise price of any options, warrants etc. .

# 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.

# 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.

**Certificate Of Compliance**

The undersigned hereby certifies that:

# 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.

# As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.

# 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).

# All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated February 2, 2018.

 Julius Kalcevich
Name of Director or Senior Officer

 (signed) “*Julius Kalcevich*”
Signature

 Chief Financial Officer
Official Capacity

**Schedule A**

| **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 (USD$)** | **Conversion price (if applicable)** | **Prospectus Exemption** | **No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party** | **Describe relationship to Issuer (1)** |
| --- | --- | --- | --- | --- | --- | --- |
| VG – Citiva Medical Holdings LLC | 513,968 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 513,968 Common Shares | **-** |
| Thomas Mazza(1) | 26,367 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 26,367 Common Shares | **-** |
| Michael Mazza | 52,755Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 52,755Common Shares | **-** |
| Kathleen Caridi(1) | 26,367Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 26,367Common Shares | **-** |
| Geraldine Greene(2) | 50,046Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 50,046Common Shares | **-** |
| Alicia Durante(1) | 26,367Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 26,367Common Shares | **-** |
| Empire Choice LLC(1) | 364,239Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 364,239Common Shares | **-** |
| James Bennett(1) | 361,302Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 361,302Common Shares | **-** |
| Charles Destefano | 49,314Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 49,314Common Shares | **-** |
| Robert Valinoti | 24,655Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 24,655Common Shares | **-** |
| Frank Turano | 765,259Class A Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 765,259Class A Shares | **-** |
| Dave Palmieri | 821,930Class A Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 821,930Class A Shares | **-** |
| Kim Volman | 390,374Class A Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 390,374Class A Shares | **-** |
| Jack D'Angelo(3) | 132,099Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 132,099Common Shares | **-** |
| Christopher Perez(4) | 70,861Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 70,861Common Shares | **-** |
| Michael David Zumpano(1) | 236,119Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 236,119Common Shares | **-** |
| Paul Russo(1) | 236,119Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 236,119Common Shares | **-** |
| Erica Fraga(1) | 236,119Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 236,119Common Shares | **-** |
| George Lewis(1) | 35,399Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 35,399Common Shares | **-** |
| Amy Holdener(1) | 26,628Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 26,628Common Shares | **-** |
| Natalie Bogdanov(1) | 41,268Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 41,268Common Shares | **-** |
| Sanjeev Vinayak(1) | 7,307Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 7,307Common Shares | **-** |
| Kaetan Mazza(1) | 7,307Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 7,307Common Shares | **-** |
| David Rozinov(1) | 43,058Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 43,058Common Shares | **-** |
| Marc Kassman | 47,359 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 47,359 Common Shares | **-** |
| Cajetan C. Mazza(1) | 23,679 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 23,679 Common Shares | **-** |
| Anna Dykshteyn | 47,359 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 47,359 Common Shares | **-** |
| John Tardy(1) | 47,359 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 47,359 Common Shares | **-** |
| John Barry(1) | 35,521 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 35,521 Common Shares | **-** |
| Rosemarie Barbieri(1) | 50,361 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 50,361 Common Shares | **-** |
| Alexander Gordon | 91,908 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 91,908 Common Shares | **-** |
| RJK Joint Ventures LLC(1) | 94,727 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 94,727 Common Shares | **-** |
| Tyche Global Holdings(1) | 57,086 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 57,086 Common Shares | **-** |
| Joyce Lew-Ng | 66,814 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 66,814 Common Shares | **-** |
| Ken Ziman(1) | 66,814 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 66,814 Common Shares | **-** |
| Steven Horowitz, MD(1) | 66,814 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 66,814 Common Shares | **-** |
| Frank Gugliada | 22,240 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 22,240 Common Shares | **-** |
| Paul Gardella(1) | 66,814 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 66,814 Common Shares | **-** |
| Tina Marie Connors | 33,406 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 33,406 Common Shares | **-** |
| Simon Field(1) | 126,920 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 126,920 Common Shares | **-** |
| Bennett Investment Protection 1 LLC(1) | 21,375 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 21,375 Common Shares | **-** |
| Daniel Kosmal(1) | 27,585 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 27,585 Common Shares | **-** |
| Ralph Madeb(1) | 21,673 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 21,673 Common Shares | **-** |
| Daniel Mchugh(1) | 5,995 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 5,995 Common Shares | **-** |
| Frank Cicero(1) | 5,995 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 5,995 Common Shares | **-** |
| Austin Gray(1) | 11,991 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 11,991 Common Shares | **-** |
| Michael Greene(1) | 5,995 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 5,995 Common Shares | **-** |
| Raz Winiarsky(1) | 11,991 Common Shares | $2.57 | **-** | BCI 72-503 [Distribution Outside BC] | 11,991 Common Shares | **-** |

Notes:

(1) To be issued upon receipt of closing documents.

(2) 23,679 common shares have been issued. A further 26,367 common shares to be issued upon receipt of closing documents.

(3) 108,105 common shares have been issued. A further 23,994 common shares to be issued upon receipt of closing documents.

(4) 64,866 common shares have been issued. A further 5,995 common shares to be issued upon receipt of closing documents.

1. 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. [↑](#footnote-ref-2)