

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: iAnthus Capital Holdings, Inc. (the "Issuer").

Trading Symbol: IAN

Number of Outstanding Listed Securities: 45,748,884

Date: April 30, 2018

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" or "Company" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

iAnthus Capital Holdings, Inc., through its 100% owned subsidiary, iAnthus Capital Management, LLC, owns and operates licensed cannabis cultivators, processors and dispensaries throughout the United States. Founded by entrepreneurs with decades of experience in operations, capital markets,

corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise to create unparalleled value for its shareholders. iAnthus allocates resources to each step of the operational process to achieve maximum growth.

The Issuer has been focusing on growing its pipeline of cannabis industry investments in order to maximize value for its shareholders.

On April 17, 2018, the Company announced today the completion of its acquisition of the remaining 20% of Pilgrim Rock Management, LLC (“Pilgrim Rock”), the affiliated management and services company that provides intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower Medicinals, Inc. (“Mayflower”). Mayflower, a non-profit Massachusetts corporation affiliated with Pilgrim Rock, has received two provisional licenses to operate Registered Marijuana Dispensaries (“RMDs”) in Massachusetts, with a third RMD application pending before the Massachusetts Department of Public Health (“DPH”). Following the acquisition, iAnthus now owns 100% of Pilgrim Rock.

To effectuate the acquisition, VSH PR, Inc. (the “Seller”) was merged into iAnthus’ wholly-owned subsidiary, iAnthus Capital Management, LLC. The Company thereby acquired the Seller’s 200,000 Class A-2 units of Pilgrim Rock in return for 1,655,734 common shares of the Company issued to the Seller. The common shares were issued pursuant to prospectus exemptions in Canada and are subject to a Canadian hold period expiring on August 17, 2018. iAnthus and the Seller are arms-length parties.

“We are pleased to have completed this transaction and our acquisition of 100% of Pilgrim Rock, which is instrumental in enabling Mayflower to become a leading licensed cultivator, processor and dispensary operator in Massachusetts’ flourishing cannabis industry,” said Randy Maslow, President of iAnthus. “iAnthus is focused on securing 100% ownership of its strategic assets around the United States, which ensures us control of each licensed operation and provides our investors with full exposure to the growth of each of our state operations.”

iAnthus further provided the following updates regarding Mayflower’s operational progress:

- Mayflower’s 36,000 cultivation facility in Holliston is fully operational, and its first extraction cycle for processed product was completed last week;
- Mayflower's first harvest will be shortly moving to the drying and curing rooms. The first harvest, as a pilot, utilized a subset of the facility's total grow space. Mayflower will quickly move to optimize the full capacity of the facility in subsequent harvests; and

- **The flagship Harvard Avenue dispensary in the Allston neighborhood of Boston is now completed and staffed. Pending final regulatory approval, Mayflower expects to open in early May 2018 to medical patients.**

On April 30, 2018, the Company announced the release of its financial results for the fourth quarter ("Q4 2017") and fiscal year 2017 ("FY 2017"), and to provide an update on the Company's existing and future operations.

Hadley Ford, CEO of iAnthus, provided the following statement on the Company's operations:

"The past year has brought major developments for iAnthus, including acquisitions in the major east coast markets of Florida and New York, the continued buildout of a world-class operations team led by Carlos Perea (Chief Operating Officer), and the establishment of iAnthus as one of the U.S. cannabis industry's most well-known and well-funded companies.

Our vision is to create the most valuable network of cannabis operations and distribution in the United States. We have prioritized long-term, sustainable growth that provides immediate and future value to our investors, customers and industry partners. To that end, we have focused on building out state-of-the-art, highly automated cultivation facilities in Massachusetts, New York, and Florida that we anticipate will greatly reduce our future cultivation and production costs, while providing a superior and more consistent product to our patients and customers. Our dispensary locations in Florida, Massachusetts, and New York, have prioritized ease of access for our patients and customers and the designs have relied on their feedback and engagement. Our approach should result in dispensaries located in high traffic locations in densely populated areas and allow us to develop a loyal following of patients and customers with whom we will foster meaningful, long-term relationships.

As we look ahead to fiscal year 2018, iAnthus will continue to be opportunistic in building our network in high growth U.S. markets. The U.S. cannabis market still represents a vast untapped potential, and we plan to remain well-funded and flexible to create shareholder value through strategic opportunities when they arise. While we will not always want to be the first to market, we feel it is crucial to seize unique opportunities when they are available.

The past year has seen iAnthus solidify an unprecedented position in east coast states. By adding the markets of New York and Florida to our strong presence in Massachusetts and Vermont, we now have the licensed opportunity to sell cannabis to a population of over 48 million with very limited competition. We look forward to building on that elite presence throughout 2018, while continuing to establish ourselves as a best-in-class operator."

2017 and 2018 Year-to-Date Corporate Highlights:

- **Became the sole member of the not-for-profit Mayflower Medicinals, Inc. ("Mayflower"), thereby acquiring control of Mayflower and providing access to Massachusetts' population of approximately 7 million people and respective cannabis market;**
- **Acquired 100% of Pilgrim Rock Management, LLC ("Pilgrim Rock"), the affiliated management and services company that will provide intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower Medicinals, Inc. ("Mayflower");**
- **Acquired substantially all of the assets of GrowHealthy Holdings, LLC ("GrowHealthy"), securing control of one of the 13 current medical cannabis licenses in Florida and access to its population of nearly 21 million people;**
- **Acquired 100% of Citiva Medical, LLC ("Citiva NY"), the holder of one of ten vertically integrated medical marijuana 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 IP, gaining access to New York's population of approximately 20 million people;**
- **Acquired the sole member of FWR, Inc. ("FWR"), a Vermont not-for-profit corporation, doing business as Grassroots Vermont ("Grassroots"), thereby securing control of Grassroots and providing access to Vermont' population of approximately 700,000 people and respective cannabis market;**
- **iAnthus now has seven operations and investments in six states, representing an addressable market of approximately 50 million people; and**
- **These corporate transactions will allow iAnthus to fully consolidate the financial results from its operations in Massachusetts, Vermont, Florida and New York throughout 2018.**

Financial Highlights:

- **Revenue in FY 2017 totaled US\$2.4 million, representing a 615% increase from FY 2016;**
- **Net loss for the period was US\$13.7 million, primarily attributable to increased costs as a result of the Company's expansion into additional states. Non-cash expenses and other items for the period totaled US\$8.1 million, resulting in an adjusted net cash loss of US\$5.6 million;**

- Invested capital for FY 2017 totaled approximately US\$23.7, million bringing the company's total invested capital to date to approximately US\$98.7 million;
- Closed a C\$12.0 million short-form prospectus offering and concurrent C\$4.5 million non-brokered private placement in November, 2017;
- Closed a US\$20.0 million private placement debenture in January, 2018; and
- Full financial results are available on SEDAR.

Political Highlights:

- A Quinnipiac University Poll, released on April 26, 2018, registered support for legalizing marijuana at an all-time high, with nearly two-thirds of U.S. voters support legalizing marijuana. The poll also registered support for medical marijuana at 93%, with only 5% of respondents opposed;
- President Donald Trump assured Senator Cory Gardner (R-CO) that the President would support federal legislation to allow U.S. states to decide for themselves how they want to regulate cannabis without fear of federal interference. Senator Gardner announced that he will propose a bipartisan bill to institute this federalist approach to cannabis regulation;
- Senator Chuck Schumer (D-NY) of New York announced on April 20, 2018 that he plans to introduce a bill to deschedule cannabis nationwide; if passed, the bill would remove cannabis from the U.S. Drug Enforcement Administration list of controlled substances and leave cannabis regulation up to individual states; and
- New York Governor Andrew Cuomo softened his stance on adult recreational use of cannabis during an April media appearance in Brooklyn. Governor Cuomo is facing increased pressure to legalize the adult use of cannabis during the lead up to the 2018 gubernatorial election and as a result of the pending legislation in neighboring New Jersey to expand its medical cannabis program into a full adult recreational use program.

Operational Highlights:

Massachusetts - Mayflower Highlights:

- Received final authorization from Department of Health and began operations at 36,000 square foot Holliston cultivation and processing

facility; first harvest and extraction and production cycle were initiated in April 2018;

- Construction of Boston dispensary is complete, scheduled to open in May 2018;
- Full suite of products will be available at the Boston dispensary, including: flower, pre-pack flower, concentrates, vape pens, tinctures and edibles;
- Two other dispensary locations have been secured through lease and option to lease agreements, with full details to be provided pending final regulatory approval;
- Management estimates that current medical market size is already over US\$100 million of annual revenues, with a full adult-use/recreational program authorized to state in July 2018 with an estimated market size of over US\$1 billion of annual revenues; and
- There are currently only 22 operating dispensaries in Massachusetts, which provides an attractive competitive landscape for Mayflower's market entry.
- Florida - GrowHealthy Highlights:
 - Florida medical cannabis market is one of the largest and fastest growing markets in the U.S., with over 100,000 patients in registry and estimated run-rate annual revenues of US\$150 million;
 - Signed leases for locations in Palm Beach County, Orlando, and Tampa in high traffic, densely populated areas;
 - Palm Beach County, Orlando and Tampa dispensaries expected to be completed in Q3 2018;
 - Management expects that GrowHealthy will have secured an additional five locations by year end 2018;
 - Cultivation was initiated in April 2017 and product inventory is being accumulated to ensure robust supply for Q3 2018 dispensary openings;
 - Statewide delivery program in effect and made first delivery in November 2017;
 - Over 25,000 square feet of the cultivation and processing facility have been built out to-date, fitted with appropriate areas for extraction, packaging, vegetation and flowering; and

- An additional 175,000 square feet are available in the building for continued cultivation build-out.

New York – Citiva Highlights:

- Executed lease on flagship 2,000 square-foot dispensary in Brooklyn, located in high traffic area directly across from Barclays Center; dispensary is expected to be one of only three competitors operating within Brooklyn, a borough of approximately 2.6 million residents;
- Finalizing design phase for approximately 39,500 square foot modular cultivation and processing facility in Orange County, NY, which will support in excess of 2.2 million grams of annual production; start of buildout anticipated in Q2 2018;
- Engaged in negotiations with multiple Registered Organizations to gain access to wholesale product;
- Negotiating leasing agreements for dispensaries in Staten Island, Dutchess County, and Chemung County with a combined population of approximately 860,000 people.

Vermont – Grassroots Highlights:

- Revenue in FY 2017 totaled US\$1.0 million, representing a 47.2% increase from FY 2016;
- Grassroots recently completed significant upgrades to its facilities, including a commercial kitchen, processing capabilities and an increase of grow space that will be able to support 200,000 grams of annual production; and
- The Vermont medical cannabis statute was amended in July 2017 to permit each license holder to open a second retail location, which iAnthus is actively pursuing in Chittenden County, one of the more densely populated areas in Vermont.

Colorado - Organix, LLC ("Organix") Highlights:

- Revenue in FY 2017 totaled US\$3.6 million (as FY 2016 results were unaudited, comparative metric is not provided);
- Current market share is estimated to be greater than 35%, with continuous improvements due to product quality and inventory initiatives;
- iAnthus has invested US\$5.2 million and currently owns 100% equity ownership of two Colorado subsidiaries, which together acquired all non-cannabis assets of Organix, and which provide a broad range of real estate

and equipment leasing, IP licensing and professional services to Organix;
and

- Current regulatory considerations in Colorado prevent iAnthus from consolidating the financial results of Organix. Pending legislation, if passed and signed into law, may permit iAnthus to consolidate Organix's financial results beginning in 2018 or 2019.

New Mexico - Reynold Greenleaf & Associates, LLC ("RGA") Highlights:

- Revenue in FY 2017 totaled US\$3.1 million, representing a 91% increase from FY 2016;
- iAnthus has invested US\$2.3 million and currently owns 24.6% of RGA;
- RGA is a management company that oversees four licenses encompassing six dispensaries, three cultivation facilities and one commercial kitchen and laboratory. RGA receives a series of fees and revenue streams from the four licenses that it manages, which generated US\$11.8 million revenue in 2017, representing a 99% increase from 2016; and
- As iAnthus does not hold a controlling interest in RGA, the financial results of RGA or its affiliates are not consolidated into iAnthus' financial statements.

2. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

3. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

4. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A

5. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the

disposition was to a Related Person of the Issuer and provide details of the relationship.

The Company announced completion of its acquisition of the remaining 20% of Pilgrim Rock Management, LLC (“Pilgrim Rock”), the affiliated management and services company that provides intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower Medicinals, Inc. (“Mayflower”). Mayflower, a non-profit Massachusetts corporation affiliated with Pilgrim Rock, has received two provisional licenses to operate Registered Marijuana Dispensaries ("RMDs") in Massachusetts, with a third RMD application pending before the Massachusetts Department of Public Health ("DPH"). Following the acquisition, iAnthus now owns 100% of Pilgrim Rock.

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6. Describe the acquisition of new customers or loss of customers.

N/A

7. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

8. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

9. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

10. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

11. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

12. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

13. Provide details of any loans to or by Related Persons.

N/A

14. Provide details of any changes in directors, officers or committee members.

N/A

15. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Regulatory Risks

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is in the early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its members. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Passive Foreign Investment Company

There is a risk that the Company is a passive foreign investment company ("PFIC"). If the Company is a passive foreign investment company, its shareholders in the U.S. are likely subject to adverse U.S. tax consequences. Under U.S. federal income tax laws, if a company is a PFIC for any year, it could have adverse U.S. federal income tax consequences to a U.S. shareholder with respect to its investment in the Company's shares. The Company earns significant royalty and franchise revenue which may be treated as passive income unless the royalty and franchise revenue is derived in the active conduct of a trade or business. Assessing whether royalty or franchise revenue received by the Company and its

subsidiaries is derived in the active conduct of a trade or business involves substantial factual and legal ambiguity.

Therefore, whether the Company is a PFIC is unclear, and the Company believes there is a significant risk that the Company will be considered a PFIC currently or in the future. The Company has not yet made a determination as to whether the Company is a PFIC, and even if the Company were to make determinations of its PFIC status, there can be no assurances that the U.S. Internal Revenue Service will agree with such determinations. Furthermore, because PFIC determinations are made annually, it is possible that the Company will meet the requirements to be treated as a PFIC in one or more years, but not meet such requirements in other years. U.S. shareholders should consult their own tax advisors regarding the potential adverse tax consequences to owning PFIC stock, and whether they are able to and should make any elections or take other actions to mitigate such potential adverse tax consequences.

Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws

The concepts of “medical cannabis” and “retail cannabis” do not exist under U.S. federal law. The Federal Controlled Substances Act classifies “marihuana” as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

Dividends

The Company does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

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.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. 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 CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 4, 2018.

Julius Kalcevich
Name of Director or Senior
Officer

"Julius Kalcevich"
Signature

CFO & Corporate Secretary
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		April, 2018	YY/MM/DD
iAnthus Capital Holdings, Inc.			18/05/04
Issuer Address			
Suite 1980, 1075 West Georgia Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6E 3C9		(778) 329-9361	(647) 705-5544
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