

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: IAN

Number of Outstanding Listed Securities: 58,374,951

Date: October 31, 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 October 10, 2018, the Company announced that it closed its previously announced bought deal offering of 5,188,800 common shares of the Company (the “Common Shares”) at a price of \$6.65 per Common Share (the “Offering Price”) for aggregate gross proceeds to the Company of \$34,505,520 (the “Offering”).

The syndicate for the Offering was led by GMP Securities L.P. and included Canaccord Genuity Corp., Cormark Securities Inc., Beacon Securities Limited, Echelon Wealth Partners Inc. and PI Financial Corp (together, the “Underwriters”).

The number of Common Shares sold by iAnthus included an aggregate of 676,800 Common Shares offered and sold pursuant to an over-allotment option granted to the Underwriters that was exercised in full prior to closing.

The Common Shares in the Offering were offered and sold by way of a short form prospectus filed in each of the provinces of Canada, excluding the province of Québec.

“We continue to remain opportunistic in all aspects of our business operations at iAnthus, and this capital raise helps facilitate that,” said Hadley Ford, CEO of iAnthus. “As we look to further build out our multi-state retail operation and pursue strategic acquisition targets in additional states, we are well equipped to make the investments needed to support strong growth opportunities.” The Company intends to use the net proceeds from the Offering for capital expenditures for capacity expansion, working capital and general corporate requirements.

The Common Shares issued pursuant to the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

On October 18, 2018, the Company and MPX Bioceutical Corporation (“MPX”) (CSE: MPX; OTC:MPXEF) announced that both companies have

signed an arrangement agreement (the “Agreement”) pursuant to which iAnthus will combine with MPX in an all-stock transaction with offered equity consideration to MPX shareholders valued at \$835 million before giving effect to MPX International (defined below) and assuming all of MPX’s dilutive securities are exercised prior to the completion of the transaction. The Agreement represents the first public to public merger transaction in U.S. cannabis history.

The Agreement provides that MPX shareholders will be entitled to receive 0.1673 common shares of iAnthus for each common share of MPX held (the “Exchange Ratio”), representing a consideration of approximately \$1.28 per MPX common share, a premium of 30.6% based on the closing price of iAnthus and MPX common shares on October 17, 2018. In addition, each MPX shareholder will receive common shares of the newly formed MPX International which will hold all of the non-U.S. businesses of MPX. MPX International will apply to list on the Canadian Securities Exchange (the “CSE”) with the listing to occur contemporaneously with closing of the transaction. All references to currency are in Canadian dollars.

The combined company, excluding MPX International, will encompass operations and cannabis licenses in 10 states that will permit iAnthus to operate 56 retail locations and 14 cultivation/processing facilities. As a result of the transaction, iAnthus will add retail and/or production capabilities in Arizona, Maryland, Nevada, California and Massachusetts. These additional licenses complement iAnthus’ existing assets in New York, Florida, Massachusetts, Vermont, Colorado, and New Mexico, forming super-regional footprints in both the eastern and western United States.

The 10 states combined are projected to generate approximately \$16.2 billion in yearly cannabis sales by 2022, according to Arcview Market Research and BDS Analytics.

“This is a watershed moment for iAnthus, as we nearly double the size of our national footprint in the United States. iAnthus will be uniquely positioned for success on the U.S. East Coast, while solidifying our cultivation and retail presence with the additions of California, Nevada, Maryland and Arizona,” said Hadley Ford, CEO of iAnthus. “Since its inception, iAnthus has been strategically focused on building scale, and this announcement crystallizes our positioning as one of the largest multi-state operators in North America.” MPX is a vertically integrated, multi-state cannabis operation which provides management, staffing, procurement, advisory, financial, real estate rental, logistics, and administrative services to medicinal cannabis enterprises across its holdings in five states.

“MPX is committed to providing the strongest value possible to our shareholders, and we feel that working with a best-in-class operator like iAnthus provides us with the best opportunity to achieve that goal,” said Scott Boyes, Chief Executive Officer of MPX. “The nascent U.S. cannabis

market is still in a land-grab phase, and we feel that our footprint when combined with iAnthus, provides our investors with the strongest possible exposure to this explosive marketplace.”

Licensed Facilities	iAnthus	MPX	Combined
States	FL, NY, MA, VT, NM, CO	NV, AZ, MA, MD, CA	10
Retail	46	10	56
Cultivation & Production	8	6	14
September 2018 Revenue (unaudited)	~C\$0.9mm	~C\$6.0mm	~C\$6.9mm

“The U.S. cannabis market depends on three key factors for success: scale, access to capital and great people to make it all work,” said Mr. Ford. “This acquisition improves our position in all three. We are especially thrilled to have Beth Stavola, an early pioneer and visionary in the industry, join our board and senior leadership.”

“The ability for the combined company to sell products across 10 states with an addressable market of 112 million people, combined with the shared management philosophy of driving best practices across all our operations, was key to my excitement about joining forces,” said Beth Stavola, Chief Operations Officer of MPX, who will become Chief Strategy Officer and Director of the resulting company. “The opportunity in front of us is enormous.”

Agreement Summary

Directors and officers of iAnthus and MPX have entered into support agreements pursuant to which they have agreed to vote their shares in favour of the Agreement. Upon completion of the transaction, the board of directors of the combined company will be increased to 7 directors, with 3 directors being nominated by MPX.

The Agreement provides that MPX is subject to non-solicitation provisions and provides that the Special Committee of MPX may, under certain circumstances, terminate the Arrangement in favour of an unsolicited superior proposal, subject to a termination fee of \$25 million (the “Termination Fee”) to iAnthus and subject to a right to match the superior proposal.

The Agreement will be carried out by way of plan of arrangement under the Business Corporations Act (British Columbia) and will require the approval of at least 66 2/3% of the votes cast by MPX shareholders at a special meeting expected to take place in January 2019.

Closing remains subject to approval of the shareholders of MPX, court approval, the approval of the CSE, applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

Further information regarding the transaction will be included in the information circular MPX will prepare, file, and mail in due course to its shareholders in connection with MPX's special meetings to be held to consider the Agreement. The Agreement will be filed on the SEDAR profiles of iAnthus and MPX on the SEDAR website at www.sedar.com.

Board Recommendation

The board of directors of both iAnthus and MPX, have unanimously approved the transaction and the MPX board of directors unanimously recommend that MPX shareholders vote in favor of the transaction. The board of directors of MPX has acted on the unanimous recommendation of the Special Committee comprised solely of independent directors. GMP Securities L.P. ("GMP") provided a fairness opinion to the board of directors of iAnthus, stating that in its opinion, and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the Exchange Ratio pursuant to the Agreement is fair, from a financial point of view, to the iAnthus. Echelon Wealth Partners Inc. ("Echelon") has provided a fairness opinion to the Special Committee of the board of directors of MPX, stating that in its opinion, and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the Exchange Ratio pursuant to the Agreement is fair, from a financial point of view, to the MPX shareholders.

Financial and Legal Advisors

GMP is acting as the exclusive financial advisor to iAnthus with McMillan LLP acting as legal counsel to the Company.

Echelon is acting as the exclusive financial advisor to the special committee of the board of directors of MPX.

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.

On October 18, 2018, the Company and MPX Biocetual Corporation ("MPX") (CSE: MPX; OTC:MPXEF) announced that both companies have signed an arrangement agreement (the "Agreement") pursuant to which iAnthus will combine with MPX in an all-stock transaction with offered equity consideration to MPX shareholders valued at \$835 million before giving effect to MPX International (defined below) and assuming all of MPX's dilutive securities are exercised prior to the completion of the transaction. The Agreement represents the first public to public merger transaction in U.S. cannabis history.

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⁾
Common Shares	10,874	Exercise of stock options	General business transactions
Common Shares	1,452,910	Conversion of Class A Shares to Common Share	General business transactions
Common Shares	500	Exercise of brokers warrants	General business transactions
Common Shares	5,188,800	Bought deal financing	General business transactions
Common Shares	60,217	Exercise of warrants	General business transactions

(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.

N/A

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 November 6, 2018.

Julius Kalcevich
Name of Director or Senior
Officer

"Julius Kalcevich"
Signature

CFO & Corporate Secretary
Official Capacity

Issuer Details Name of Issuer iAnthus Capital Holdings, Inc.	For Month End October, 2018	Date of Report YY/MM/DD 18/11/06
Issuer Address Suite 1980, 1075 West Georgia Street		
City/Province/Postal Code Vancouver, BC V6E 3C9	Issuer Fax No. (778) 329- 9361	Issuer Telephone No. (647) 705-5544
Contact Name Julius Kalcevich	Contact Position CFO, Director	Contact Telephone No. (647) 705-5544
Contact Email Address Julius.kalcevich@ianthuscapital.com	Web Site Address www.ianthuscapital.com	