

FORM 9**NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES****(or securities convertible or exchangeable into listed securities)¹**

Please complete the following:

Name of Listed Issuer: IANTHUS CAPITAL HOLDINGS, INC. ("iAnthus" or the "Issuer").Trading Symbol: IANDate: February 5, 2019Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: _____

Issued and Outstanding Securities of Issuer Prior to Issuance: 58,829,859 Common (as at February 1, 2019).Date of News Release Announcing Private Placement: October 18, 2018.Closing Market Price on Day Preceding the Issuance of the News Release: \$7.64

- 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 relationship to Issuer ⁽²⁾
N/A							

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.

(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.

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

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. _____.

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

4. 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.

5. Description of securities to be issued:

(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 _____.

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

(c) Exercise price _____.

(d) Expiry date _____.

**FORM 9 – NOTICE OF PROPOSED ISSUANCE OF
LISTED SECURITIES**

7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount _____.
 - (b) Maturity date _____.
 - (c) Interest rate _____.
 - (d) Conversion terms _____.
 - (e) 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, address. 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. _____.
3. 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 _____.
4. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).
_____.
5. State whether the private placement will result in a change of control.
_____.

**FORM 9 – NOTICE OF PROPOSED ISSUANCE OF
LISTED SECURITIES**

January 2015
Page 3

2. Acquisition

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:

iAnthus intends to acquire all of the issued and outstanding common shares (the “MPX Shares”) in the capital of MPX Bioceutical Corporation (“MPX”).

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:

iAnthus has entered into an arrangement agreement dated October 18, 2018 (the “Arrangement Agreement”) with 1183271 B.C. Unlimited Liability Company, MPX and MPX International Corporation (formerly known as 2660528 Ontario Inc.) (“SpinCo”) to acquire all of the MPX Shares by way of a statutory plan of arrangement (the “Arrangement”) under the arrangement provisions of Division 5 of Part 9 of the Business Corporations Act (British Columbia).

Pursuant to the Arrangement Agreement, holders of MPX Shares (the “MPX Shareholders”) are entitled to receive 0.1673 of a common share of iAnthus (“iAnthus Share”) and 0.1 of a common share in SpinCo (“SpinCo Share”) for each MPX Share held by them (the “Exchange Ratio”). The outstanding options, warrants, convertible debentures and convertible loan of MPX (collectively, the “MPX Convertible Securities”) will be addressed in the manner set out in the Arrangement Agreement.

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 Florida, New York, Vermont, New Mexico and Colorado.

SpinCo has been formed to hold all of the non-U.S. businesses of MPX and, after giving effect to the Arrangement, will be wholly-owned by the current MPX Shareholders.

Upon completion of the Arrangement, MPX will be a wholly-owned subsidiary of iAnthus, and approximately 51% of iAnthus will be owned by its current

FORM 9 – NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES

shareholders, with the remaining 49% owned by prior MPX Shareholders, on a fully-diluted basis.

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: approx. \$835 million (based on the Closing Market Price of iAnthus Shares on the last trading day before announcement of the transaction).
 - (b) Cash: N/A.
 - (c) Securities (including options, warrants etc.) and dollar value:
 - an aggregate of 75,795,208 iAnthus Shares will be issued to MPX Shareholders;
 - an aggregate of 24,333,262 share purchase options of iAnthus ("iAnthus Options"), exercisable to acquire 4,070,913 iAnthus Shares, issued to holders of share purchase options of MPX; and
 - an aggregate of 60,934,689 warrants to purchase MPX Shares ("MPX Warrants") will continue to be outstanding and will be exercisable to acquire iAnthus Shares and common shares of SpinCo at the Exchange Ratio.
 - (d) Other: N/A.
 - (e) Expiry date of options, warrants, etc. if any: See above. Expiry dates of iAnthus Options and MPX Warrants will vary in accordance with the original expiry dates of the MPX Convertible Securities.
 - (f) Exercise price of options, warrants, etc. if any: See above. Exercise prices of iAnthus Options and MPX Warrants will vary in accordance with the original expiry dates of the MPX Convertible Securities. iAnthus Shares issuable upon exercise of such iAnthus Options and MPX Warrants will be adjusted in accordance with the Exchange Ratio.
 - (g) Work commitments: N/A.

**FORM 9 – NOTICE OF PROPOSED ISSUANCE OF
LISTED SECURITIES**

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). By arms-length negotiation.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A.
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 (USD\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾
Prior MPX Securityholders						

(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: The Issuer completed legal due diligence.
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, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

In connection with the acquisition of MPX, the Issuer engaged GMP Securities L.P. ("GMP") to act as its financial advisor with respect to the transaction. Pursuant to an engagement letter between the Issuer and GMP, the Issuer agreed to pay GMP a transaction success fee equal to \$4,750,000 (the "Transaction Fee"), of which up to 25% may be paid in iAnthus Shares (based on the 10 day volume weighted average price of the iAnthus Shares at closing).

- (b) Cash \$3,562,500, consisting of 75% of the Transaction Fee.

**FORM 9 – NOTICE OF PROPOSED ISSUANCE OF
LISTED SECURITIES**

- (c) Securities 174,375 iAnthus Shares², issuable in satisfaction of 25% of the Transaction Fee.
 - (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. GMP is an arm's length party to the Issuer.
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

² Based on the 10 day volume weighted average price of iAnthus Shares on the CSE up to February 5, 2019.

**FORM 9 – NOTICE OF PROPOSED ISSUANCE OF
LISTED SECURITIES**

Certificate Of Compliance

The undersigned hereby certifies that:

11. 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.
12. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
13. 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).
14. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated February 5, 2019.

Julius Kalcevich
Name of Director or Senior
Officer

"Julius Kalcevich"
Signature

Chief Financial Officer
Official Capacity

FORM 9 – NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES