

June 23, 2020



iAnthus Receives Demand for Payment and Notice of Intention to Enforce Security

Update Provided with Respect to Strategic Alternatives Review Process and Cease Trade Order

NEW YORK and TORONTO, June 23, 2020 /PRNewswire/ - iAnthus Capital Holdings, Inc. ("iAnthus" or the "Company") (CSE: IAN) (OTCQX: ITHUF), which owns, operates, and partners with regulated cannabis operations across the United States, announced that Gotham Green Admin 1, LLC (the "Collateral Agent"), as collateral agent holding security for the benefit of the holders of the Company's 13.0% Senior Secured Debentures (the "Secured Debentures"), has provided the Company and its wholly-owned subsidiary, MPX Bioceutical ULC ("MPX"), with a demand for repayment (the "Demand Letter") under the Amended and Restated Secured Debenture Purchase Agreement dated October 10, 2019 (the "Purchase Agreement") of the entire principal amount, together with interest, fees, costs and other allowable charges that have accrued or may accrue in accordance with the Purchase Agreement and the other Transaction Agreements (as defined in the Purchase Agreement). The Collateral Agent also concurrently provided both the Company and MPX with a Notice of Intention to Enforce Security (the "BIA Notices") under section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Pursuant to section 244 of the BIA, the Collateral Agent shall not enforce the security over the collateral granted by the Company and MPX until the expiry of 10 days after sending the BIA Notices unless the Company and MPX consent to an earlier enforcement of the security. The Company and MPX do not intend to consent to earlier enforcement and are exploring available options.

Strategic Alternatives Review Process

As disclosed in the Company's news releases dated April 6, 2020, April 22, 2020 and June 11, 2020, iAnthus has initiated a Strategic Alternatives Review Process and has hired Canaccord Genuity Corp. ("Canaccord") as its financial advisor. The Company's special committee of the board of directors, supported by its legal and financial advisors, are working expeditiously to complete the review of a range of strategic alternatives. Canaccord has received several expressions of interest, including expressions of interest, which if completed, would repay the Secured Debentures in full and in cash.

There can be no assurance as to what, if any, alternative might be pursued by the Company or whether any such alternative would provide any value to the Company's shareholders. In addition, there can be no assurance that the Company will reach any solution with the Collateral Agent or the holders of the Secured Debentures, or as to the terms of any solution, if achieved. In accordance with applicable disclosure requirements, the Company will disclose any further updates with respect to the Strategic Alternatives Review Process if and when they occur.

Cease Trade Order

Further to the Company's news releases dated June 11, 2020 and June 17, 2020, iAnthus did not file the following continuous disclosure documents (collectively, the "Required Filings") prior to the filing deadline on June 15, 2020:

- (a) audited annual financial statements for the year ended December 31, 2019;
- (b) management's discussion and analysis relating to the audited financial statements for the year ended December 31, 2019; and
- (c) certification of the foregoing filings as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

As a result, the Company is subject to a cease trade order (the "CTO") issued by the Ontario Securities Commission on June 22, 2020. The CTO affects trading in all securities of the Company by securityholders of the Company, in each jurisdiction in Canada in which the Company is a reporting issuer and will remain in effect until such time as the Company has made the Required Filings. If the Required Filings are made within 90 days of the date of the CTO, such filings would constitute the Company's application to have the CTO revoked.

All references to currency in this news release are in US dollars.

About iAnthus

iAnthus owns and operates licensed cannabis cultivation, processing and dispensary facilities throughout the United States, providing investors diversified exposure to the U.S. regulated cannabis industry. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. iAnthus currently has a presence in 11 states and operates 35 dispensaries (AZ-4, MA-1, MD-3, FL-16, NY-3, CO-1, VT-1 and NM-6 where iAnthus has minority ownership). For more information, visit www.iAnthus.com.

COVID-19 Risk Factor

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing could adversely impact the Company by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. Although the Company has been deemed essential and/or has been permitted to continue operating its facilities in the states in which it cultivates, processes, manufactures, and sells cannabis during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition, and the trading price of the Company's common shares.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties, including concerning COVID-19 and the specific factors disclosed here and elsewhere in iAnthus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will, hope, could, plan, estimate, expect, intend, may, potential, believe, should, our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements relating to the Company's financial performance, business development and results of operations, and the evaluation of strategic alternatives, the BIA Notices, and the potential outcomes of the Strategic Alternatives Review Process.

Readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. iAnthus disclaims any intention or obligation to update or revise such information, except as required by applicable law, and iAnthus does not assume any liability for disclosure relating to any other company mentioned herein.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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