

July 31, 2020



iAnthus Reports Fiscal 2019 Financial Results and Provides Additional Business Updates

NEW YORK and TORONTO, July 31, 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, reports its financial results for the year ended December 31, 2019. The Company's Financial Statements for the year ended December 31, 2019 and the related Management's Discussion & Analysis can be accessed on the Company's SEDAR profile at www.sedar.com and on the Company's website.

Additional Business Updates

Mutual Termination of Acquisition

The Company and WSCC, Inc. ("Sierra Well") announce the mutual termination of the merger agreement previously announced on September 19, 2019. As a result of the prolonged timeline to achieve the necessary conditions to close combined with the adverse market conditions surrounding the industry and broader economy, the Company and Sierra Well agreed that it was in the best of interest of both parties to terminate the transaction. Pursuant to the terms of the agreement, no termination fee was payable by either party.

Q1 2020 Interim Filings Update

The Company had previously announced on July 15, 2020 that it had failed to file its interim financial statements for the quarter ended March 31, 2020, the management's discussion and analysis related thereto and the related certificates required by NI 52-109 (the "Interim Filings") prior to the filing deadline on July 14, 2020. As a result, the Company continues to be 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 filed the Interim Filings. If the Interim 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. The Company expects to file the Interim Filings on or before the 90-day deadline.

Receipt of Statement of Claim

A proposed class action was issued on July 23, 2020 in the Ontario Superior Court of Justice in Toronto against iAnthus, iAnthus' former CEO and iAnthus' CFO, by Blue Sky Realty Corporation. The plaintiff seeks to certify the proposed class action on behalf of all persons, other than any executive level employee of the Company and their immediate

families, who acquired the Company's common shares in the secondary market on or after May 30, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. Among other things, the plaintiff alleges statutory and common law misrepresentation, and seeks an unspecified amount of damages together with interest and costs. The certification motion and leave to proceed motion for a secondary market claim under the Securities Act (Ontario) have not yet been scheduled. The Company intends to vigorously defend this claim.

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 36 dispensaries (AZ-4, MA-1, MD-3, FL-16, NY-3, CO-1, VT-1 and NM-7 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, subject to the implementation of certain restrictions on adult-use cannabis sales in both Massachusetts and Nevada, which have since been lifted, 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, 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, the expectations of management with respect to the anticipated filing of the Interim Filings and statements relating to the expected outcome and defence of the statement of claim.

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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