August 18, 2020

iAnthus Mails Information Circular in Connection with its Recapitalization Transaction

A "Yes" Vote will Enable Existing Shareholders to Retain Ownership of 2.75% of the Common Shares by Completing the Recapitalization Transaction as Contemplated

Alternatively, if the Recapitalization Transaction Occurs Through CCAA Proceedings, Existing Shareholders will not Retain Any Ownership of Common Shares or Receive Any Recovery (i.e. 0% of the Common Shares)

NEW YORK and TORONTO, Aug. 18, 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, announces that the Company has commenced the mailing of the notices and management information circular (the "Circular") for (i) a meeting (the "Secured Noteholders' Meeting") of holders (the "Secured Noteholders") of 13% senior secured convertible debentures (the "Secured Notes") issued by iAnthus Capital Management, LLC, the Company's wholly-owned US subsidiary; (ii) a meeting (the "Unsecured Debenture Holders' Meeting") of holders (the "Unsecured Debenture Holders") of 8% convertible unsecured debentures (the "Unsecured Debentures") issued by the Company; and (iii) a meeting (the "Equityholders' Meeting") of holders of the Company's common shares (the "Common Shares"), options (the "Options") and warrants (the "Warrants") (collectively, the "Existing Equityholders"), in each case to consider and vote upon a corporate plan of arrangement under the British Columbia *Business Corporations Act* (the "Plan of Arrangement") to implement the previously announced recapitalization transaction (the "Recapitalization Transaction").

Your vote is important regardless of the numbers of securities you own.

iAnthus encourages securityholders to read the materials for the above-referenced meetings (collectively, the "Meetings"), which have been filed on the Company's SEDAR profile at www.sedar.com and will be uploaded to the Company's website at:www.ianthus.com/2020-special-meetings.

The Board of Directors unanimously recommends that all Secured Noteholders, Unsecured Debenture Holders and Existing Equityholders vote in favour of the Plan of Arrangement.

The Recapitalization Transaction

As disclosed in the Company's news releases dated July 13 and August 7, 2020 (copies of which are available under the Company's SEDAR profile at www.sedar.com), the Recapitalization Transaction will be implemented pursuant to the Plan of Arrangement, or,

only if necessary, the *Companies' Creditors Arrangement Act* ("CCAA"). If the Recapitalization Transaction is completed through the Plan of Arrangement, the existing holders of Common Shares at the time of completion (the "Existing Shareholders") will retain approximately 2.75% of the ownership of the Common Shares (the "Common Shareholder Interest").

If the Recapitalization Transaction does not obtain the required support from Existing Equityholders, the Recapitalization Transaction will be implemented through proceedings under the CCAA ("CCAA Proceedings"). If implementation of the Recapitalization Transaction occurs through CCAA Proceedings, Existing Shareholders will not retain any ownership of Common Shares or receive any recovery (i.e., 0% of the ownership of the Common Shares) and the Common Shareholder Interest will instead be allocated equally as among the Secured Noteholders and the Unsecured Debenture Holders.

Voting Deadlines

The deadline for: (i) the Secured Noteholders, (ii) the Unsecured Debenture Holders, and (iii) the Existing Equityholders to submit their respective proxies or voting instructions in order to vote on the Plan of Arrangement is 9:00 a.m., 10:00 a.m. and 11:00 a.m., respectively (Vancouver time), on September 10, 2020. Banks, brokers or other intermediaries that hold Secured Notes, Unsecured Debentures, Common Shares, Options or Warrants on a securityholder's behalf may have internal deadlines that require securityholders to submit their votes by an earlier date. Securityholders are encouraged to contact their intermediaries directly to confirm any such internal deadline.

Attendance at the Meetings

To proactively deal with the public health impact of the novel coronavirus, also known as COVID-19, and to mitigate risks to health and safety, the Company will be holding the Meetings in a virtual-only format, which will be conducted via live audio webcast available online using the LUMI meeting platform. During the live audio webcasts, Secured Noteholders, Unsecured Debenture Holders and Equityholders will be able to hear the Secured Noteholders' Meeting, the Unsecured Debenture Holders' Meeting and the Equityholders' Meeting respectively, and such registered securityholders and duly appointed and registered proxyholders will be able to submit questions and vote when their applicable Meeting is being held. The Circular provides important and detailed instructions about how to participate at the Meetings.

Securityholders' Questions or Voting Assistance

iAnthus' securityholders who have questions or need assistance with voting their respective Secured Notes, Unsecured Debentures, Shares, Options and/or Warrants can also contact the iAnthus' Proxy Solicitation Agent, Laurel Hill Advisory Group.

Laurel Hill Advisory Group

North American Toll Free: 1-877-452-7184
Calls Outside North America: 1-416-304-0211
Email: assistance@laurelhill.com

Canadian Securities Exchange Trading Update

Further to the Company's news release dated August 17, 2020 (a copy of which is available under the Company's SEDAR profile at www.sedar.com), on August 17, 2020, the Canadian Securities Exchange issued a bulletin reinstating the Common Shares for trading, effective immediately.

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, 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 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 Recapitalization Transaction and the Meetings.

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.

The securities to be issued pursuant to the Restructuring Transaction 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. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

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