

AUDIT COMMITTEE CHARTER

iANTHUS CAPITAL HOLDINGS, INC.

AUDIT COMMITTEE CHARTER

1. Purpose

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of iAnthus Capital Holdings, Inc. (the “Company”).

The Audit Committee will represent and assist the Board in fulfilling its financial oversight responsibilities. The Committee will review and consider in consultation with the auditors: the integrity of the financial reporting process, the system of internal control, the Company’s compliance with legal and regulatory requirements, the Company’s external auditor’s qualifications and independence and the performance of the Company’s internal audit function and external accounting firm. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Audit Committee membership as well and the Company’s business, operations and risks.

In addition, the Committee shall prepare a report each year for inclusion in the Company’s proxy statement relating to the election of Directors.

Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board as a whole.

2. Composition

The Board will elect, from among their membership, based on the recommendation of the Nominating and Corporate Governance Committee of the Board, an Audit Committee. Each member of the Committee shall serve for such term or terms as the Board may determine or until his or her earlier resignation, removal or death. Any vacancy on the Committee shall be filled by the Board. No member of the Committee shall be removed as a member, except by the Board.

The Chair of the Committee shall be designated by the Board, provided that if the Board does not designate a Chair, the members of the Committee, by a majority vote, may designate a Chair.

The audit committee will consist of a minimum of three directors.

2.1 Independence

All members of the Committee, in the judgment of the Board, shall be independent in accordance with applicable securities legislation and regulations and by the policies of any stock exchange on which any of the Company’s capital stock is listed. In addition, the Company also aims to voluntarily abide by the New York Stock Exchange (NYSE) listing standards with regards to independence.

2.2 Expertise of Committee Members

Each member of the Audit Committee, in the judgment of the Board, must be financially literate and have the ability to read and understand the Company's basic financial statements. At least one member of the Committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

Furthermore, while not required by the CSE, the Board will make its best effort to have at least one member of the Committee, in the judgment of the Board, be an "audit committee financial expert" in accordance with the rules and regulations of the Securities and Exchange Commission (SEC), and at least one member (who may also serve as the Audit Committee financial expert), in the judgment of the Board, have accounting or related financial management expertise in accordance with NYSE listing standards.

No member of the Committee may serve simultaneously on the audit committees of more than three public companies, including the Company, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and such determination is disclosed in accordance with any and all applicable rules and regulations.

3. Meetings

The Committee shall meet in accordance with a schedule established each year by the Board, with a minimum of four meetings per year and at other times that the Committee may determine necessary to fulfill its responsibilities. The Committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

At least annually, the Committee shall coordinate with any other applicable committees to discuss matters of mutual interest within the context of each Committee's responsibilities. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate. The Committee shall maintain minutes of its meetings and records relating to those meetings.

4. Quorum

A quorum at any meeting will be a simple majority of Committee members, provided that if the number of Committee members is an even number, one half of the number plus one shall constitute a quorum.

5. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities, consistent with and subject to applicable law and rules and regulations promulgated by the CSE or any other applicable regulatory authority:

4.1 External Audit

The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the Committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) pre-approve all audit services to be provided by the external auditors;
- (f) establish policies for the hiring of employees and former employees of the external audit firm;
- (g) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (h) at least annually, receive and review a report by the external auditors describing the auditor firm's internal quality control procedures and any material issues raised by the most recent internal quality-control review, peer review or inspection of the external auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and any other required reports from the external auditor.

4.2 Internal Control

The Audit Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company;
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls;
- (c) review and approve, based on discussion with the Chief Financial Officer, the appointment, replacement or dismissal of the internal auditor, who shall report directly to the Committee and administratively to the Chief Financial Officer. Review annually with the Chief Financial Officer the performance of the chief internal auditor.
- (d) review and discuss, at least annually, the scope and results of the internal audit program, including the Company's current and future internal programs and procedures for implementing accepted recommendations made by the external auditor, and any other significant matters recognized internally; and

(e) review and discuss with the external auditor, and management, and take such action with respect thereto as may be deemed appropriate:

(i) the adequacy and effectiveness of the Company's systems of internal controls (including any significant deficiencies, material weaknesses and significant changes in internal controls reported to the Committee by the external auditor or management), accounting practices, and disclosure controls and procedures (and management reports thereon), of the Company and its subsidiaries; and

(ii) current accounting trends and developments.

4.3 Financial Reporting

The Audit Committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions, including those considered by the Nominating and Corporate Governance Committee, and any significant unusual transactions, in each case considered for disclosure in the Company's financial statements, to understand the terms, structure and business purpose of, and approval process applied to, each such transaction; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) review and approve all public disclosure, including earnings press releases, as well as Company policies with respect to earnings press releases, financial information and earnings guidance

provided to analysts and rating agencies, prior to its release to the public (this function may be performed by the Chair or the full Committee).

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Pre-Approval Policies and Procedures

- (a) The Audit Committee may satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the Committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish and oversee procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) conduct an annual performance evaluation of the Committee and annually review the adequacy and update this Charter accordingly and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about Audit Committee activities and make appropriate recommendations.

6. Resources and Authority of the Audit Committee

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) obtain the advice and assistance, as appropriate, of independent counsel and other advisors as necessary to fulfill the responsibilities of the Committee, including to conduct or authorize investigations into, or studies of, matters within the Committee's scope of responsibilities;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) review and discuss, at least annually, the Company's information security and technology risks (including cybersecurity), including the Company's information security and risk management programs; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks;
 - a. review and discuss the Company's policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and relevant major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks; and
 - b. understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay special attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and

- (g) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(f) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(g) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(h) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

- (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
- (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;
- (iii) generally accepted accounting principles have been consistently applied;
- (iv) there are any actual or proposed changes in accounting or financial reporting practices;
- (v) there are any significant or unusual events or transactions;
- (vi) the Company's financial and operating controls are functioning effectively;
- (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and
- (d) review the status of compliance with laws, regulations, and internal procedures; and the scope and status of systems designed to promote Company compliance with laws, regulations and internal procedures, through review of reports from management, legal counsel and third parties as determined by the Committee.

6.4 Other Responsibilities

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.