iANTHUS CAPITAL HOLDINGS, INC.
(the "Corporation")

NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING

OF ALL HOLDERS OF
COMMON SHARES and CLASS A COMMON SHARES
OF THE CORPORATION

TO BE HELD NOVEMBER 26, 2018

AND

MANAGEMENT PROXY CIRCULAR

DATED OCTOBER 9, 2018

These materials are important and require your immediate attention. If you have questions or require assistance with voting your shares, you may contact iAnthus' proxy solicitation agent:

Laurel Hill Advisory Group

North American Toll-Free Number: 1-877-452-7184

Collect Calls outside North America: 1-416-304-0211

Email: assistance@laurelhill.com

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR PROXY TODAY.

October 15, 2018

Dear Fellow Shareholder:

When we founded iAnthus Capital Holdings, Inc. in August 2016, our team was focused on building one of the leading multi-state cannabis operators in the United States. Since then, with your support, we have built a company that spans six states and is poised to be a leader for years to come. Our shareholders have been rewarded for their trust in our team, with our stock up five-fold since our initial public listing. Thanks to you, we have enjoyed access to capital to build the company, leading liquidity among U.S. public cannabis companies, and the ability to use iAnthus shares to acquire operations in new states such as New York and Florida. Thank you. You have made our job much easier.

Since mid-2017 to October 2018, our asset base has increased by 360%, and market capitalization by 500%. With our recent offering we are well capitalized to build out our operations in the key eastern states of Massachusetts, New York and Florida and are also able to act quickly on new opportunities as they present themselves. Our team continues to be driven to be first and we are well positioned to grow rapidly in 2019. We appreciate the opportunity you have given us as managers of your company and we look forward to continuing to work hard every day to deliver a higher share price this coming year.

We are pleased to invite you to join us at the annual general and special meeting of all the shareholders, which will be held on November 26, 2018 in Toronto, Ontario.

At this meeting, we will provide you with an update on our activities and progress on the execution of our corporate strategy that has been approved by your Board of Directors.

During the meeting, we will ask you to approve the resolutions put forward by your Board and Management, including:

1. Common Shareholders will be asked to elect five candidates to the Board of Directors;

2. Both Common Shareholders and Class A Shareholders will be asked to vote to appoint Marcum LLP, Accountants and Advisors, as the Corporation's independent auditor for the ensuing year; and

3. Both Common Shareholders and Class A Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to ratify and approve adoption of the Amended and Restated Omnibus Incentive Plan.

The management proxy circular provides you with background information on the matters that will be addressed at the meeting. Refer to the Notice and Access Notification to Shareholders, or to the Notice of Annual General and Special Meeting for instructions on how to obtain access to view the management proxy circular online, or to get a printed copy mailed to you.

Your participation is important to us. In the event you cannot attend the shareholder meeting, we urge you to complete and submit your proxy before the proxy deadline in advance of the meeting. This will ensure your vote on the meeting resolutions is counted.

We are pleased to respond to your comments or queries, which you can send to me direct at any time at: investors@ianthuscapital.com.

We thank you for your ongoing support and confidence as we continue to build shareholder value at iAnthus.

Respectfully,

iAnthus Capital Holdings, Inc.

"Hadley Ford"

Hadley Ford
Chief Executive Officer and Chair of the Board

iANTHUS CAPITAL HOLDINGS, INC.
Suite 414 - 420 Lexington Avenue
New York, NY, 10170, USA
Telephone No.: (212) 479-2572
Email: info@ianthuscapital.com

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

The annual general and special meeting (the "**Meeting**") of both the holders (the "**Common Shareholders**") and of the common shares (the "**Common Shares**") and the holders (the "**Class A Shareholders**", and together with the Common Shareholders, the "**Shareholders**") of the Class A convertible restricted voting shares (the "**Class A Shares**", and together with the Common Shares, the "**Shares**") of iAnthus Capital Holdings, Inc. (the "**Corporation**") will be held at Suite 4400 – 181 Bay Street, Toronto, Ontario, on Monday, November 26, 2018 at 10:00 a.m. (Eastern Time), for the following purposes:

1. To receive the consolidated financial statements for the Corporation's financial year ended December 31, 2017 with the report of the auditor of the Corporation thereon (*see pg. 8 of Management Proxy Circular*);

2. The Common Shareholders will be asked to elect directors of the Corporation for the ensuing year (*see pg. 8 of Management Proxy Circular*);

3. All Shareholders will be asked to appoint an auditor of the Corporation for the ensuing year (*see pg. 22 of Management Proxy Circular*); and

4. All Shareholders will be asked to pass an ordinary resolution approving the amendment and restatement of the Corporation's existing stock option plans pursuant to the terms and conditions of the Amended and Restated Omnibus Incentive Plan, adopted by the Board of Directors of the Corporation on October 15, 2018, as detailed in the accompanying Management Proxy Circular (*see pg. 23 of Management Proxy Circular*).

Management is not currently aware of any other matters that could come before the Meeting. A Management Proxy Circular accompanies this Notice together with a form of proxy and a financial statements request form. The Management Proxy Circular contains details of matters to be considered at the Meeting. The Shareholders, as appropriate, will be asked to consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof.

Notice-and-Access Mailing

The Corporation has elected to use the notice-and-access provisions in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") in the case of mailing to registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") in the case of beneficial Shareholders ("**Notice-and-Access Provisions**") for this Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allow a company to reduce the volume of materials to be physically mailed to shareholders by posting the management proxy circular and any additional annual meeting materials online. Shareholders will

still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Management Proxy Circular. The Corporation will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the management proxy circular to some shareholders with a notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Management Proxy Circular.

Copies of this Notice of Meeting and Management Proxy Circular, as well as the Common Share form of proxy (the "**Common Share Proxy**") and the Class A Share form of proxy (the "**Class A Share Proxy**"), (together the "**Proxies**") and the Corporation's annual financial statements (together the "**Proxy Materials**"), are posted on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and are SEDAR filed under the Corporation's profile at www.sedar.com. **Any Shareholder who wishes to receive a printed paper copy of the Management Proxy Circular may contact the Corporation at Suite 2740, 22 Adelaide Street West, Toronto, Ontario, Canada M5H 4E3, Tel: (416) 591-1525 or by email at info@ianthuscapital.com.** A Shareholder may also call 1-855-591-1525 (toll-free) to obtain additional information relating to the Notice-and-Access Provisions or to obtain a paper copy of the Management Proxy Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

To allow reasonable time to be allotted for a Shareholder to receive and review a paper copy of the Management Proxy Circular and submit their vote prior to **10:00 a.m. (Eastern Time) on November 22, 2018** (the "**Proxy Deadline**"), any Shareholder wishing to request a paper copy of the Management Proxy Circular as described above, should ensure such request is received by **November 8, 2018**. Under the Notice-and-Access Provisions, Proxy Materials must be available for viewing for up to 1 year from the date of posting and a paper copy of the materials can be requested at any time during this period.

The Management Proxy Circular contains details of matters to be considered at the Meeting. **Please review the Management Proxy Circular before voting.**

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Shares will be voted at the Meeting are asked to complete, date and sign the enclosed form of proxy or complete another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular.

A non-registered (beneficial) Shareholder who plans to attend the Meeting must follow the instructions set out in the Management Proxy Circular to ensure that their shares are voted at the Meeting. If you hold your Shares in a brokerage account you are a non-registered (beneficial) Shareholder.

DATED at Toronto, Ontario, this 15th day of October, 2018.

BY ORDER OF THE BOARD

"Hadley C. Ford"

Hadley C. Ford
Chief Executive Officer

If you have any questions or need assistance with voting your proxy, please contact Laurel Hill Advisory Group, the proxy solicitation agent, by telephone at: 1-877-452-7184 (North American Toll Free) or 1-416-304-0211 (Collect outside North America); or by email at: assistance@laurelhill.com

MANAGEMENT PROXY CIRCULAR

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IANTHUS CAPITAL HOLDINGS, INC.
Suite 414 - 420 Lexington Avenue
New York, NY, 10170, USA
Telephone No.: (212) 479-2572
Email: info@ianthuscapital.com

MANAGEMENT PROXY CIRCULAR

as at October 9, 2018 except as otherwise indicated

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of iAnthus Capital Holdings, Inc. (the "Corporation") for use at the annual and special meeting (the "Meeting") of both the holders of Common Shares (the "Common Shareholders") and the holders of the Class A Shares (the "Class A Shareholders") (together "all Shareholders") of iAnthus Capital Holdings, Inc. (the "Corporation") to be held on November 26, 2018 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Management Proxy Circular (the "**Circular**"), references to "**we**" and "**our**" refer to the Corporation. "**Common Shares**" means common shares without par value in the capital of the Corporation. "**Class A Shares**" means the Class A convertible restricted voting shares without par value of the Corporation. "**Shares**" means both Common Shares and Class A Shares. "**Registered Shareholders**" means Shareholders whose names have been entered in the registers of Shareholders. "**Non-Registered Shareholders**" means shareholders who do not hold Common Shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation has also retained Laurel Hill Advisory Group ("**Laurel Hill**") to assist it in connection with the Corporation's communications with shareholders. In connection with these services, Laurel Hill is expected to receive a fee of $35,000 plus out-of-pocket expenses. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Non-Registered Shareholders and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard. All Class A Shareholders are Registered Shareholders.

Notice-and-Access

Notice-and-Access means provisions concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), in the case of non-registered shareholders ("**Notice-and-Access Provisions**"), which allow an issuer to deliver an management proxy circular forming part of

proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions allow reporting issuers, other than investment funds, to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than by delivering such materials by mail. Notice-and-Access Provisions can be used to deliver materials for both general and special meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the management proxy circular at the reporting issuer's expense.

Use of Notice-and-Access Provisions reduces paper waste and printing and mailing costs incurred by the issuer. In order for the Corporation to utilize Notice-and-Access Provisions, the Corporation must send a notice to Shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain from the Corporation, a paper copy of those materials. This Circular is posted in full on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com.

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Circular and any related financial statements and related management discussion and analysis, and explain the Notice-and-Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to Shareholders by the Corporation, along with the applicable voting document (a form of Proxy (as defined below) in the case of Registered Shareholders or a Voting Instruction Form in the case of Non-Registered Holders).

As the Corporation is a reporting issuer and has not previously used the procedures following Notice-and-Access Provisions for delivery of the shareholder meeting proxy materials, it is required to file a notification at least 25 days prior to the Record Date indicating its intent to use the Notice-and-Access Provisions. The Notice of Meeting and Record Date stating such intention was SEDAR filed on September 14, 2018, being 25 days before October 9, 2018 (the "**Record Date**").

The Corporation will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using Notice-and-Access Provisions provides a paper copy of the management proxy circular with the notice to be provided to Shareholders as described above. In relation to the Meeting, all Shareholders will have received the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No Shareholder will receive a paper copy of the Circular from the Corporation or any intermediary unless such Shareholder specifically requests same.

The Corporation will pay intermediaries, including Broadridge Financial Solutions Inc. ("**Broadridge**"), to deliver proxy-related materials to non-registered shareholders.

Any Shareholder who wishes to receive a printed paper copy of this Circular may contact the Corporation at Suite 2740, 22 Adelaide Street West, Toronto, Ontario, Canada M5H 4E3, Tel: (416) 591-1525 or by email at info@ianthuscapital.com. A Shareholder may also call 1-855-591-1525 (toll-free) to obtain additional information relating to the Notice-and-Access Provisions or to obtain a paper copy of this Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

Request Time Limit

In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a Proxy or VIF prior to the deadline for receipt of Proxies at 10:00 a.m. (Eastern Time) on November 22, 2018 (the "**Proxy Deadline**"), it is strongly suggested that a Shareholder ensure their request is received by the Corporation no later than November 8, 2018.

Appointment of Proxyholders

The individuals named in the Proxy are directors of the Corporation. If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following procedures to submit their Proxy:

(a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or

(b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the Proxy for the toll free number, the holder's account number and the proxy access number; or

(c) log on to Computershare's website at, www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the Proxy for the holder's account number and the proxy access number.

In either case you must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a Proxy properly may result in its invalidation. The time limit for the deposit of Proxies may be waived by the

Corporation's board of directors (the "**Board**") at its discretion without notice. **Please note that in order to vote your Shares in person at the Meeting, you must attend the Meeting and register with the scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the scrutineer before the Meeting and inform them that your previously submitted Proxy is revoked and that you personally will vote your Shares at the Meeting.**

Non-Registered Shareholders

The following information is of significant importance to Non-Registered Shareholders. Non-Registered Shareholders should note the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Shares as at the Record Date) or as set out in the following disclosure.

The Record Date for determination of the Shareholders entitled to receive notice of, and to vote at, the Meeting is October 9, 2018. Only Registered Shareholders whose names have been entered in the registers of Shareholders at the close of business on the Record Date ("**Registered Shareholders**") will be entitled to receive notice of, and to vote at, the Meeting.

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of a that person (the "**Non-Registered Shareholder**") but which are registered either: (a) in the name of an intermediary that the Non-Registered Shareholder deals with in respect of the Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the intermediary is a participant. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which Corporation acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depositary for many United States brokerage firms and custodian banks).

Compliance with Securities Regulation

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

There are two kinds of Non-Registered Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

These securityholder materials are being sent to both Registered Shareholders and Non-Registered Shareholders utilizing the Notice-and-Access Provisions. The Corporation is paying to send Meeting Notice-and-Access materials to both NOBOs and OBOs, but not to Non-Registered Shareholders declining to receive annual meeting documents. Non-Registered Shareholders who are declining shareholders should follow the instructions received from their intermediary carefully to ensure their Shares are voted at the Meeting.

Intermediaries are required to forward the Meeting Notice and Access materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service

companies to forward the Meeting Notice and Access materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**VIF**") which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge typically prepares a machine-readable VIF, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Additionally, the Corporation may utilize Broadridge's QuickVote™ service to assist eligible Shareholders with voting their shares directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

All references to Shareholders in the Proxy Materials are to Registered Shareholders unless specifically stated otherwise.

Notice to Shareholders in the United States

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation's Shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

If financial statements are included or incorporated by reference herein, they have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Shareholders who are resident in, or citizens of, the United States may not be described fully in this Circular.

The enforcement by the Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Corporation are located outside the United States.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

(a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, or to the Corporation's office at Suite 1500, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

(b) personally attending the Meeting and voting the Registered Shareholder's Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

A Non-Registered Shareholder who wishes to revoke their vote should carefully follow the instructions on how to do so provided by their Intermediary, as instructions and timing may vary with each Intermediary.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, to the knowledge of management of the Corporation, no informed person of the Corporation, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's financial year ended December 31, 2017 and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Definition - Informed Person

For the purposes of this Circular, "informed person" means:

(a) a director or executive officer of the Corporation;

(b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation;

(c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and

(d) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed October 9, 2018 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their respective Shares voted at the Meeting, except to the extent that:

(a) the Shareholder has transferred the ownership of any such Shares after the Record Date, and

(b) the transferee produces a properly endorsed Share certificate for or otherwise establishes ownership of any of the transferred Shares and makes a demand to Computershare no later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders in respect thereof.

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Class A Shares. Both the Common Shares and the Class A Shares are without par value and carry the right to one vote each, with the exception that the Class A Shares are not entitled to vote for the election of directors. The Common Shares are listed on the Canadian Securities Exchange (the "**CSE**") and as of October 9, 2018, the Corporation had 52,411,650 fully paid and non-assessable Common Shares outstanding. All of the 16,143,614 issued and outstanding Class A Shares are held by Registered Shareholders. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to either of the Common Shares or the Class A Shares.

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at October 9, 2018.

To the knowledge of the directors and executive officers of the Corporation, the following are all the persons who beneficially owned, directly or indirectly, or exercised control or direction over, Class A Shares carrying more than 10% of the voting rights attached to all issued and outstanding Class A Shares as at October 9, 2018:

Shareholder Name[(1)]	**Number of Class A Shares Held**	**Percentage of Issued Class A Shares[(2)]**
Hadley C. Ford	1,812,500	11.3%
Randy Maslow	2,712,500	16.8%

Notes:

(1) The above information was obtained from SEDI.
(2) If converted to Common Shares this beneficial ownership would be approximately 3.5% for Hadley Ford and 5.2% for Randy Maslow.

Escrow Shares

As at December 31, 2017 there were 4,500,169 Common Shares and Class A Shares held in escrow (the "**Escrow Shares**"). The release schedule for the Escrow Shares allows for 15% to be released every six months. As at October 9, 2018 there were 7,919,936 Escrow Shares remaining.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2017, including the report of the auditor thereon, will be placed before the Meeting. Additional information may be obtained upon request from the CFO and Corporate Secretary of the Corporation at Suite 2740, 22 Adelaide Street West, Toronto, Ontario, Canada M5H 4E3 Tel: (416) 591-1525, or by email at: info@ianthuscapital.com. Copies of these documents and additional information are also available on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions concerning the election of directors, the appointment of the auditor and the ratification and approval of the adoption of the Corporation's Amended and Restated Omnibus Incentive Plan, as more particularly described herein. If there are more nominees for election as director or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The term of office of each of the five (5) current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "**BCA**"), each director elected will hold office until the conclusion of the next annual general meeting of the Corporation or if no director is then elected, until a successor is elected. At the Meeting, it is proposed that five (5) directors be elected until the next annual meeting of the shareholders or until their successors are elected or appointed.

The articles of the Corporation (the "**Articles**") include an advance notice provision (the "**Advance Notice Provision**") which provides for the requirement of advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

Among other things, the Advance Notice Provision fixes a deadline by which holders of voting shares of the Corporation must submit director nominations to the Corporation prior to any annual general or special meeting of shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form. The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Articles, a copy of which is available under the Corporation's SEDAR profile at www.sedar.com.

If, as of the date of the Meeting, the Corporation has not received notice of a nomination in compliance with the Advance Notice Provision, any nominations for director other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation (within the last five years, as each is a new director nominee), the period of time during which each has been a director of the Corporation and the number of Common Shares and/or Class A Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 9, 2018.

Nominee Position with the Corporation and Residence	**Occupation, Business or Employment[(1)]**	**Period as a Director of the Corporation**	**Common Shares Beneficially Owned or Controlled[(1)]**
Hadley C. Ford Chief Executive Officer ("**CEO**") and Director New York, USA	Current CEO and Director of the Corporation. Founder, CEO and Board member, ProCure Treatment Centers	Since August 12, 2016	750,000[(3)]
Randy Maslow[(2)] President and Director Florida, USA	Current President and Director of the Corporation.	Since August 12, 2016	Nil[(4)]
Julius Kalcevich[(5)] Chief Financial Officer ("**CFO**"), Corporate Secretary and Director Ontario, Canada	Current CFO, Corporate Secretary and Director of the Corporation	Since August 12, 2016	415,282[(6)]
Dr. Richard J. Boxer[(2)] Director California, USA	Attending Urologist, Los Angeles Wadsworth Veteran's Administration Hospital; UCLA Visiting Professor of Urology and Visiting Scholar, UCLA Business of Science Center.	Since September 19, 2016	174,000[(7)]
Paul Rosen[(2)] Director Ontario, Canada	Chairman of Skypad Inc.; Advisory Board Member of Alembic Goods; Director, Tidal Royalty Corp; Director, Hill Street Beverage Company Inc.	Since September 19, 2016	70,000[(8)]

Notes:

(1) The information as to principal occupation, business or employment and the Common Shares and Class A Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective proposed nominees.

(2) Member of the Audit Committee.

(3) Mr. Ford holds 1,812,500 Class A Shares convertible into Common Shares, 270,000 Options to purchase Common Shares and 150,000 Options to purchase Class A Shares.

(4) Mr. Maslow holds 2,712,500 Class A Shares convertible into Common Shares, 270,000 Options to purchase Common Shares and 150,000 Options to purchase Class A Shares.

(5) Mr. Kalcevich was appointed director on August 12, 2016 and appointed CFO on October 24, 2016.

(6) Mr. Kalcevich holds 350,000 Options to purchase Common Shares and 257,750 Options to purchase Class A Shares.

(7) Dr. Boxer holds 260,000 Class A Shares convertible into Common Shares and 75,000 Options to purchase Common Shares.

(8) Mr. Rosen holds 75,000 Options to purchase Common Shares.

As of October 9, 2018, the directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 6,185,000 Class A Shares, 1,409,282 Common Shares, and 2,642,750 convertible securities exercisable into Common Shares representing approximately 9.4% of the Corporation's fully diluted issued and outstanding Common Shares.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Corporation acting solely in such capacity.

Penalties, Sanctions, Bankruptcies or Cease Trade Orders

No director or executive officer of the Corporation is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Corporation, nor a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director or executive officer of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Corporation's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the BCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Corporation's directors, disclose his or her interest and refrain

from voting on the matter unless otherwise permitted by the BCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Corporation are required to act honestly, in good faith, and in the best interests of the Corporation.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The audit committee has a charter, a copy of which is attached as Schedule "A" to the Corporation's Annual Information Form for the financial year ended December 31, 2017, which was filed under the Corporation's profile at www.sedar.com on July 31, 2018.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than BDO Canada LLP ("**BDO**") or Marcum LLP, Accountants and Advisors ("**Marcum**").

Composition of the Audit Committee

The current members of the audit committee are: Randy Maslow, Paul Rosen and Dr. Richard J. Boxer. Mr. Rosen and Dr. Boxer are the independent members of the audit committee as contemplated by NI 52-110. Mr. Maslow is not an independent member of the audit committee as he is the President of the Corporation. All audit committee members are considered to be financially literate.

An audit committee member is independent if the member has no direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Each member of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Randy Maslow is a veteran technology industry entrepreneur, senior executive and attorney with more than 25 years' experience as General Counsel to rapidly growing companies in emerging industries. Mr. Maslow was Executive Vice President and General Counsel at one of the first online travel companies before joining the founding management team of the early nationwide internet service provider that became XO Communications, Inc., where he served as Senior Vice President for Business Development and General Counsel and as a member of the company's board of directors. Following the company's initial public offering in 1997, Mr. Maslow founded Electric Ventures, a New York-based angel investor network for start-up technology companies. In 2003, Mr. Maslow co-founded Internet Gaming Entertainment U.S. ("**IGE**"), where he served as Senior Vice President and General Counsel and as a board member. IGE pioneered the currency exchange business for virtual assets in multi-player online games and became a leading worldwide publisher of multi-player computer game content, with 400 employees in the U.S. and Asia and over $100 million in annual revenue.

Mr. Maslow is a graduate of Cornell University and the Rutgers University School of Law, where he received his J.D. with Honors and served as an editor of the law review. Prior to entering the tech industry, Mr. Maslow was an associate in the Florida offices of Greenberg Traurig LLP, and previously with the Philadelphia law firm White and Williams.

Dr. Richard J. Boxer serves as an advisor on healthcare public policy, patient advocacy, and physician outreach. Dr. Boxer is currently Clinical Professor Urology and Scholar at the David Geffen Scholl of Medicine at UCLA, the University of Wisconsin School of Medicine and Public Health, and was formerly Professor of Clinical Urology at the University of Miami Medical Centre. Dr. Boxer was a finalist for the position of Surgeon General of the United States in both the Bill Clinton and George W. Bush administrations, and worked in the Clinton White House in 1993. Dr. Boxer served on the National Cancer Advisory Board and the National Institute of Diabetes, Digestive and Kidney Diseases at the National Institute of Health. He is dedicated to the advancement of research and improvement in medical standards in the provision of medical cannabis to cancer and other patients. He was a citizen delegate to the World Health Organization, and is a recipient of a Presidential Citation and a Cancer Research Award from the American Urological Association. Dr. Boxer graduated cum laude with a B.A. and an MD from the University of Wisconsin. Dr. Boxer has more than 75 publications in medical journals and has delivered 632 invited lectureships over his distinguished career.

Paul Rosen was a founder of Pharma Can Capital Corporation (doing business as The Cronos Group) ("**Pharma Can**"), a publicly traded investment firm focused on investing in Canada's medical marijuana industry, where he served as President and CEO for three years. While CEO at Pharma Can, Paul executed the successful purchase of In The Zone Produce Ltd. ("**ITZ**"), a Canadian medical marijuana producer licensed by Health Canada, and he concurrently served as President and the Senior Person in Charge at ITZ. Prior to founding Pharma Can, Paul founded and served as CEO of Skypad Inc. ("**Skypad**"), a leading global contract manufacturer, and he currently serves as Skypad's Chairman.

Mr. Rosen is a member of the Law Society of Upper Canada and practiced constitutional law in Canada for several years. He received a B.A. in Economics from Western University in 1985 and an LLB from the University of Toronto in 1988.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than BDO or Marcum.

Reliance on Certain Exemptions

At no time has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by BDO to ensure auditor independence. Fees incurred with BDO for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services	Fees Paid to BDO in Fiscal Year Ended December 31, 2017.	Fees Paid to BDO in Fiscal Year Ended December 31, 2016.
Audit Fees[(1)]	C$686,100	C$20,518
Audit-Related Fees[(2)]	C$184,678	C$27,838
Tax Fees[(3)]	C$38,700	C$1,050
All Other Fees[(4)]	C$86,763	C$69,255
Total	C$996,241	C$118,661

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The independent directors of the Corporation are Dr. Boxer and Mr. Rosen. The non-independent directors are also officers of the Corporation including: Hadley C. Ford, CEO; Randy Maslow, President; and Julius Kalcevich, CFO and Corporate Secretary.

Directorships

The majority of the current directors of the Corporation are not also presently serving on boards of other reporting companies (or equivalent). However, Mr. Rosen is also serving on the board of Tidal Royalty Corp. (CSE:RLTY) and Hill Street Beverage Company Inc. (TSX-V:BEER).

Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed. The Board recognizes the value of good governance and board members who can be good stewards for our shareholders. In choosing new members, the Board considers industry experience and a track record of success in the prospective Board member's career.

Compensation

Directors of the Corporation are not paid any fees and were not compensated until the most recently completed financial year, when compensation to both the non-independent directors of the Corporation (Messrs. Ford, Maslow and Kalcevich) and the independent directors (Dr. Boxer and Mr. Rosen) was through equity compensation. For further details see *Statement of Executive Compensation – Venture Issuer* below.

Other Board Committees

The Board has no committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its audit committee.

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer,* Form 51-102F6V (the "**F6V**"), as such form is defined in NI 51-102 and relates to the Corporation's December 31, 2017 financial year end.

For the purposes of the F6V "**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

All currency references in this F6V section are expressed in **United States Dollars** unless otherwise specified. A reference to **C$** means Canadian dollars.

Named Executive Officer

In this section "Named Executive Officer" ("**NEO**") means any individual who, during the Corporation's two most recently completed financial years ended December 31, 2016 and December 31, 2017 was:

(a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("**CEO**");

(b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("**CFO**");

(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than C$150,000 for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation or any of its subsidiaries, and was not acting in a similar capacity, at the end of the Corporation's financial years ended December 31, 2016 and 2017.

For purposes of this Statement of Executive Compensation, the following are the NEOs: Hadley Ford, CEO and director; Randy Maslow, President and director; and Julius Kalcevich, CFO and director. The directors of the Corporation who are not also NEOs are: Dr. Richard J. Boxer, director; and Paul Rosen; director.

Director and NEO compensation, excluding compensation securities

On August 15, 2016, the Corporation completed the acquisition of iAnthus Capital Management, LLC ("**ICM**"), a Delaware limited liability company, through a reverse takeover arrangement (the "**RTO**"). Prior to closing of the RTO, the Corporation (formerly, "Genarca Holdings Ltd.") did not provide compensation to its NEOs or directors in the year ended December 31, 2016.

ICM did not have a board of directors and was managed by a single member, iAnthus Manager, LLC, ("**iAnthus Manager**"). There was no compensation provided to iAnthus Manager at any time during the financial year ended December 31, 2016.

The following table sets forth all annual and long-term compensation for services paid to or earned by each of the NEOs and directors during the two most recent financial years ended December 31, 2016 and December 31, 2017. The Corporation used an exchange rate of C$0.7708 to report in USD currency.

Table of compensation excluding compensation securities							
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees[5] ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Hadley Ford[1][2] CEO and Director	2017 2016	150,000 Nil	126,000 51,000	Nil Nil	Nil Nil	Nil Nil	276,000 51,000
Randy Maslow[2][3] President and Director	2017 2016	150,000 Nil	180,650 105,650	Nil Nil	Nil Nil	Nil Nil	330,650 105,650
Julius Kalcevich[4] CFO and Director	2017 2016	144,294 59,685	77,080 18,888	Nil Nil	Nil Nil	Nil Nil	221,374 78,572
Dr. Richard J. Boxer[3] Director	2017 2016	Nil Nil	Nil Nil	20,426 5,958	Nil Nil	Nil Nil	20,426 5,958
Paul Rosen[3] Director	2017 2016	Nil Nil	Nil Nil	10,791 6,044	Nil Nil	Nil Nil	10,791 6,044

Notes:

(1) Mr. Ford was appointed CEO and director of the Corporation on August 12, 2016.

(2) Messrs. Ford and Maslow are shareholders of LDV (as defined below). In the financial year ended December 31, 2017, LDV received a monthly fee in respect of certain accounting, business development, recordkeeping, tax filing and other operating functions as more particularly described under *Employment, consulting and management agreements.*

(3) Messrs. Maslow, Rosen and Dr. Boxer were appointed as directors of the Corporation on August 12, 2016.

(4) Mr. Kalcevich was appointed director on August 12, 2016 and appointed CFO on October 24, 2016.

(5) Executive officers that are also directors do not receive committee or meeting fees.

Stock Options and Other Compensation Securities

The following table discloses the particulars of compensation securities granted to the NEOs and Directors in the financial year ended December 31, 2017.

Compensation Securities							
Name and position	**Type of Compensation Security**	**Number of compensation securities, number of underlying securities, and percentage of class (#)**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Hadley Ford[1] CEO and Director	Class A Options	150,000/13%	Nov 21, 2017	C$2.25	C$2.10	C$2.50	Nov 21, 2027
Randy Maslow[2] President and Director	Class A Options	150,000/13%	Nov 21, 2017	C$2.25	C$2.10	C$2.50	Nov 21, 2027
Julius Kalcevich[3] CFO and Director	Class A Options	257,750/23%	Nov 21, 2017	C$2.25	C$2.10	C$2.50	Nov 21, 2027
Dr. Richard J. Boxer[4] Director	Options	25,000/1% [6]	April 4, 2017	C$2.25	C$2.10	C$2.50	April 4, 2027
Paul Rosen[5] Director	Options	25,000/1% [6]	April 4, 2017	C$2.25	C$2.10	C$2.50	April 4, 2027

Notes:

(1) Mr. Ford holds 2,712,500 Class A Shares convertible into Common Shares, 120,000 Options to purchase Common Shares and 150,000 Options to purchase Class A Shares.

(2) Mr. Maslow holds 2,712,500 Class A Shares convertible into Common Shares, 120,000 Options to purchase Common Shares and 150,000 Options to purchase Class A Shares.
(3) Mr. Kalcevich holds 415,282 Common Shares, 230,000 Options to purchase Common Shares and 257,750 Options to purchase Class A Shares.
(4) Dr. Boxer holds 174,000 Common Shares, 260,000 Class A Shares convertible into Common Shares and 75,000 Options to purchase Common Shares.
(5) Mr. Rosen holds 70,000 Common Shares and 75,000 Options to purchase Common Shares.
(6) These option grants vest 12.5% per quarter over a 2-year period.

Exercise of Compensation Securities by NEOs and Directors

During the financial year ended December 31, 2017, no compensation securities were exercised by an NEO or director of the Corporation.

Stock Option Plans and Other Incentive Plans

The Corporation had three plans for incentive based compensation during the year ended December 31, 2017: an equity compensation plan (which is a historical plan implemented by ICM prior to the RTO and is referred to herein as the "**ICM Plan**"); a rolling stock option plan (which is the plan implemented by the Corporation after the RTO and is referred to herein as the "**Stock Option Plan**"); and a rolling stock option plan for class A convertible restricted voting shares (the "**Class A Option Plan**").

ICM Plan

The ICM Plan was established in November 2015. The ICM Plan reserved for issuance up to 2,000,000 class A units of ICM (the "**Class A Units**"). Unit options ("**ICM Unit Options**") granted under the ICM Plan generally vest over one and a half to two years and typically have a life of ten years. The ICM Plan provides that the exercise price of ICM Unit Options is determined in the sole discretion of the management, but in no case could be less than 100% of the fair market value of a Class A Unit on the grant date. ICM issued 1,350,000 ICM Unit Options to employees, advisors and consultants *(*See the Corporation's *Non-Offering Prospectus* dated August 12, 2016 filed under the Corporation's profile at www.sedar.com*.)*

In connection with the RTO, and pursuant to a share exchange agreement dated March 11, 2016 and an amended and restated share exchange agreement on June 30, 2016 (the "**Share Exchange Agreement**") among the Corporation, ICM, members of ICM, iAnthus Transfer Corp. ("**iAnthus Transfer**"), shareholders of iAnthus Transfer, iAnthus Formation Corp. ("**iAnthus Formation**"), and the shareholders of iAnthus Formation, the Corporation was required, pursuant to section 2.3 of the Share Exchange Agreement, to assume the outstanding ICM Unit Options of ICM held by certain ICM Unit Option holders concurrent with the closing of the RTO.

Stock Option Plan

On March 11, 2016, the Board approved the adoption of a rolling Stock Option Plan. The Stock Option Plan is designed to promote the long-term success of the Corporation by strengthening the ability of the Corporation to attract and retain highly competent employees and by promoting greater alignment of interests between executives and shareholders in the creation of long-term shareholder value. The purpose of granting stock options (the "**Options**") is to assist the Corporation in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders.

The material terms of the Stock Option Plan are as follows:

(a) The purpose of the Stock Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants to contribute toward the long term goals of the Corporation, and to encourage such individuals to acquire common shares of the Corporation as long term investments.

(b) The Corporation's Compensation Committee, or if no such committee is appointed, the Board itself (the "**Committee**") shall, from time to time and in its sole discretion, determine those executives, employees

and consultants to whom Options are to be granted.

(c) The term of any Options granted under the Stock Option Plan will be fixed by the Committee at the time such Options are granted and set out in the option certificate issued in respect of such Option, provided that Options will not be permitted to exceed a term of ten years. The term and expiry date of any Options granted to a 10% shareholder participant will not exceed five years from grant date of such Options.

(d) The exercise price at which an option holder may purchase a common share upon the exercise of an Option shall be determined by the Committee and shall be set out in the option certificate issued in respect of the Option. The exercise price shall not be less than the market value of the common shares as of the grant date. The market value of the common shares for a particular grant date shall be determined as follows:

(i) for each organized trading facility on which the common shares are listed, market value will be the closing trading price of the common shares on the day immediately preceding the grant date, and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities;

(ii) if the Corporation's common shares are listed on more than one organized trading facility, the market value shall be the market value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the common shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary regulatory approvals;

(iii) if the Corporation's common shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the grant date, then the market value will be, subject to any adjustments as may be required to secure all necessary regulatory approvals, such value as is determined by the Committee; and

(iv) if the Corporation's common shares are not listed on any organized trading facility, then the market value will be, subject to any adjustments as may be required to secure all necessary regulatory approvals, such value as is determined by the Committee to be the fair value of the common shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the common shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the market value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Corporation on the grant date in question.

Notwithstanding the foregoing, the exercise price of common shares subject to an Option granted under the Stock Option Plan to a 10% shareholder participant shall be not less than 110% of the fair market value of the common shares on the grant date as determined in good faith by the Committee at the grant date.

(e) The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the option certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a triggering event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the option holder under section 9.2 of the Stock Option Plan.

(f) All Options will be non-assignable and non-transferable.

(g) The aggregate number of Options which may be granted to any one option holder under the Stock Option Plan within any 12 month period must not exceed 5% of the number of issued and outstanding common shares of the Corporation (unless the Corporation has obtained disinterested shareholder approval).

(h) If required by regulatory rules, disinterested shareholder approval is required to the grant to insiders, within a 12 month period, an aggregate number of Options which, when added to the number of

outstanding Options granted to Insiders within the previous 12 months, exceed 10% of the number of issued and outstanding common shares of the Corporation.

(i) The aggregate number of Options which may be granted to any one consultant within any 12 month period must not exceed 2% of the number of issued and outstanding common shares of the Corporation.

(j) The maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding issue and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to the Stock Option Plan requiring the option holders consent under section 9.2 of the Stock Option Plan.

(k) In the event that the option holder holds his or her Option as an executive and such option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the option certificate, the 30th day following the date the option holder ceases to hold such position unless the option holder ceases to hold such position as a result of:

(i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Corporation;

(ii) a special resolution having been passed by the shareholders of the Corporation removing the option holder as a director of the Corporation or any subsidiary; or

(iii) an order made by any regulatory authority having jurisdiction to so order,

in which case the expiry date shall be the date the option holder ceases to hold such position.

(l) In the event that the option holder holds his or her Option as an employee or consultant and such option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the option certificate, the 30th day following the date the option holder ceases to hold such position, unless the option holder ceases to hold such position as a result of:

(i) termination for cause;

(ii) resigning his or her position; or

(iii) an order made by any regulatory authority having jurisdiction to so order,

in which case the expiry date shall be the date the option holder ceases to hold such position.

(m) In the event that the option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that option holder with such Option then to be treated as being held by that option holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the option holder under section 9.2 of the Stock Option Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the expiry date of the Option.

Class A Option Plan

On August 28, 2017, the Board adopted the Class A Option Plan for the purpose of granting options ("**Class A Options**"), at the discretion of the Board or its appointed Committee, to eligible directors, executives, employees and consultants, to purchase Class A convertible restricted voting shares ("**Class A Shares**") of the Corporation. The Class A Option Plan is also a "rolling" option plan wherein the maximum limit on the grant of options under the Class A Option Plan is 10% of the Outstanding Issue, as defined in the Class A Option Plan. The Class A Option Plan was approved by holders of Class A Shares on November 14, 2017.

The material terms of the Class A Option Plan are similar in every respect to the terms of the Stock Option Plan described above, but with the distinction that the 10% maximum limit is on the total aggregate of Class A Shares and Common Shares, taken together, that are outstanding (on a non-diluted basis) immediately prior to the Class A Share issuance or grant of Class A Option in question. A copy of the Class A Option Plan was filed on October 16, 2017 under the Corporation's profile at www.sedar.com.

Employment, consulting and management agreements

Other as set out herein, the Corporation has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or NEO.

The Corporation utilizes the services and office space of Last Dance Ventures, LLC ("**LDV**"), a related party owned by the Corporation's officers, Messrs. Ford and Maslow. On October 1, 2015, ICM entered into an administrative services agreement with LDV pursuant to which LDV provides full time equivalent staff to perform certain accounting, business development, recordkeeping, tax filing and other operating functions. The agreement provides for a monthly fee of $70,000. On September 9, 2017 the agreement was terminated.

The Corporation has commitments to continue its relationship for three to six months from March 31, 2017 with the marketing firms Kanan Corbin Schupak & Aronow, Inc. (dba. KCSA Strategic Communications), North 6th Agency, Inc., and Blue Chip Public Relations, Inc., for investor public relations services.

Oversight and description of director and NEO compensation

Compensation Review Process

The Board determines the compensation of its executive officers. In determining compensation, the Board considers industry standards and financial situation but does not currently have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Board having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer. Compensation for senior executives is determined and approved annually by the Board. In the case of compensation for the senior executives who are on the Board, the two independent members of the Board must approve their plan for the year.

The Corporation does not have a compensation committee. The Board has not adopted any specific policies or practices to determine the compensation for the Corporation's directors and executive officers other than as disclosed above.

After completion of the RTO, the Board determined that non-executive directors will be paid C$5,000 in person per board meeting and C$3,000 for a telephonic board meeting in their capacity as directors.

Risk Management

The Board has not considered the implications of the risks associated with the Corporation's compensation policies and practices.

The Corporation has not adopted a policy forbidding directors or officers from purchasing financial instruments designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by directors or officers. The Corporation is not, however, aware of any of its directors or officers having entered into this type of transaction.

Elements of Executive Compensation Program

The Corporation's compensation program consists of the following elements:

(a) base salary or consulting fees;

(b) bonus payments; and

(c) equity participation through the Stock Option Plan and the Class A Option Plan.

Base Salary or Consulting Fees

Base salary ranges for NEOs were initially determined upon review of salaries paid by other companies that are comparable in size to the Corporation.

In determining the base salary of a NEO, the Board considers the following factors:

(a) the particular responsibilities related to the position;

(b) salaries paid by other companies in the same industry, which were similar in size and stage of development as the Corporation;

(c) the experience level of the NEO;

(d) the amount of time and commitment which the NEO devotes to the Corporation; and

(e) the NEO's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the NEOs, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's assessment of the Corporation's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as significant acquisitions of licensed cannabis operations and the attainment of corporate milestones).

The Corporation awarded bonuses to certain NEOs and employees during its financial year ended December 31, 2016 and December 31, 2017 as disclosed in the compensation table above.

Equity Participation

The Corporation currently offers equity participation in the Corporation through its Stock Option Plan and Class A Option Plan.

Executive Compensation

Except for the grant of incentive share options to NEOs, there are no arrangements under which NEOs were compensated by the Corporation during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

Except for C$5,000 in person per board meeting and C$3,000 for a telephonic board meeting paid to non-executive directors in their capacity as directors, the directors receive no cash compensation for acting in their capacity as directors of the Corporation. Except for the grant of Options to directors, there are no arrangements under which directors were compensated by the Corporation during the two most recently completed financial years for their services in their capacity as directors.

Pension Disclosure

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

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SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the Corporation's equity compensation plan information as at December 31, 2017.

Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders:			
Stock Option Plan	2,691,000	$2.57	Nil
Class A Option Plan	1,125,500	$2.25	Nil
Equity compensation plans not approved by securityholders:			
ICM Plan	1,200,000	$1.54	Nil
Total	3,816,500	$2.15	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed below, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as at the date hereof.

Aggregate Indebtedness

AGGREGATE INDEBTEDNESS ($)		
Purpose	**To the Corporation or its subsidiaries**	**To Another Entity**
(a)	(b)	(c)
Share purchases	Nil	Nil
Other	$1,000,000[(1)]	Nil

Note:

(1) Mr. Ford has entered into two separate $500,000 loans with the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2017, or has any interest in any material transaction in the current year other than as set out herein or as disclosed in "Note 16. *Related Party Transactions*" (page 3) in the Corporation's Annual Financial Statements for the financial year ended December 31, 2017; and in "*Transactions with Related Parties*," pages 30 to 31 of the related management discussion and analysis, both of which were filed under the Corporation's profile on April 30, 2018 at www.sedar.com. For information subsequent to the Corporation's financial year end, see "Note 16. *Related Party Transactions*" (page 27) in the Corporation's interim financial statements for the six month financial period ended June 30, 2018; and in "*Transactions with Related Parties*" pages 31-32 of the related management discussion and analysis, both of which were filed under the Corporation's profile on August 28, 2018 at www.sedar.com.

APPOINTMENT OF AUDITORS

Marcum LLP, Accountants and Advisors ("**Marcum**"), of 750, 3rd Avenue, 11th Floor, New York, NY, 10017, USA, will be nominated for appointment as auditors of the Corporation to hold office until the next annual general meeting of shareholders. The Board appointed Marcum as auditors of the Corporation on August 10,

2018 to replace BDO Canada LLP ("**BDO**"). BDO was first appointed auditors of the Corporation on March 17, 2015. The change of auditor was approved by the Board's audit committee. A copy of the Notice of Change of Auditor and copies of the supporting letters from each of the former and successor auditors are attached as Schedule "A" to this Circular and copies have been filed under the Corporation's profile at www.sedar.com.

MANAGEMENT CONTRACTS

The Corporation utilizes the services and office space of Last Dance Ventures, LLC ("**LDV**"), a related party owned by the Corporation's officers, Hadley C. Ford and Randy Maslow. From January 1, 2017 to the date hereof, the Corporation has paid to LDV an aggregate of US$420,000 in fees to LDV.

On October 1, 2015, ICM entered into an administrative services agreement with LDV. LDV provides full time equivalent staff to perform certain accounting, business development, recordkeeping, tax filing and other operating functions. The agreement provides for a monthly fee. From January 1, 2017 to the date hereof, the Corporation incurred administrative management fees of US$420,000. On September 9, 2017 the agreement was terminated.

Other than as set forth herein, there are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Corporation's audited Annual Financial Statements for the financial year ended December 31, 2017 (see p. 8);

2. Election of Directors by the Common Shareholders (see p. 8);

3. Appointment of Auditors (see p. 22); and

4. Approval of Amended and Restated Omnibus Incentive Plan (see p. 23);

Approval of Amended and Restated Omnibus Incentive Plan

Background

The Corporation currently has three stock option plans as follows: (i) Class A Option Plan; (ii) Stock Option Plan (together with the Class A Plan, the "**Current Plans**"); and the ICM Plan (iii) (the "**ICM Plan**" and together with the Current Plans, the "**Existing Plans**").

The Corporation proposes to amend certain terms of the Existing Plans and combine the Existing Plans into one omnibus plan on the terms and conditions set out in the amended and restated omnibus incentive plan (the "**Amended Plan**"), a copy of which may be requested from the CFO and Corporate Secretary of the Corporation by emailing your request to info@ianthuscapital.com. A copy is posted together with the Proxy Materials on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com. The Board approved the Amended Plan on October 15, 2018 (the "**Effective Date**") and is now seeking the approval of a simple majority of all Shareholders to the amendment to the Existing Plans on the terms and conditions as set out in the Amended Plan. See *"Approval of the Amended and Restated Omnibus Incentive Plan - Rationale for the Amendments"* for a discussion of the reasons underlying the Board's decision to adopt the Amended Plan.

The Amended Plan will amend, restate, replace, and supersede the Existing Plans. However, all options previously granted by the Corporation under the Existing Plans that are outstanding as at the Effective Date will continue to exist subject to their existing terms and conditions.

As of the Record Date for the Meeting, there were 16,143,614 Class A Shares and 52,411,650 Common Shares issued and outstanding, 1,200,000 options outstanding and unexercised under the ICM Plan and an aggregate of 4,660,000 options outstanding and unexercised under the Current Plans. If the amendments to the Existing Plans on the terms and conditions of the Amended Plan are approved at the Meeting and assuming the total issued and outstanding number of Shares remains the same, an additional 9,051,053 options will be available for issuance pursuant to the Awards (as defined below) granted under the Amended Plan which, together with the Shares underlying the currently outstanding and unexercised options under the Existing Plans represents 20% of the total outstanding Shares.

Summary Comparison between Existing Plans to Amended Plan

The following is a brief description of certain amendments to the material terms of the Existing Plans as reflected in the Amended Plan, with such description being qualified in its entirety by reference to the full text of each of the Existing Plans and the Amended Plan. A copy of the Existing Plans and the Amended Plan may be requested from the Corporation by emailing your request to the CFO and Corporate Secretary of the Corporation at info@ianthuscapital.com. A copy of the Amended Plan is also posted, together with the Proxy Materials, on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com.

Certain amendments to the material provisions of the Existing Plans and the Amended Plan are as follows:

Types of Awards

The Existing Plans only provide for the grant of options as sole incentive awards, whereas the Amended Plan allows for the grant of various incentive awards including options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, annual or long-term performance awards and any other stock-based awards (the "**Awards**") as described further in Schedule "C" attached hereto.

Number of Awards

The maximum aggregate number of Shares available for issuance pursuant to the exercise of options granted under each of the Current Plans is 10% of the number of Shares that are outstanding from time to time (on a non-diluted basis) and an additional 2,000,000 Class A Shares under the ICM Plan.

In contrast, the maximum number of Shares available for issuance pursuant to the exercise of Awards under the Amended Plan will be increased to 20% of the number of Shares that are outstanding from time to time (on a non-diluted basis) provided that all Shares reserved and available under the Plan from time to time will constitute the maximum number of Shares that can be issued for "incentive stock options".

Administration

Each of the Existing Plans as well as the Amended Plan delegate administrative authority to the committee of the Board established by the Board as responsible for the administration of the Plan, or if no such committee exists, the Board (the "**Committee**"). The Existing Plans and the Amended Plan provide the Committee with similar powers and authority to interpret and construe the provisions of the relevant plan and make such rules and guidelines as it considers appropriate to properly give effect to the intention of the plans. The Amended Plan further provides the Committee with broad discretion to make determinations and take actions that it deems necessary or desirable for the proper administration of the Amended Plan, provided however, that such determinations and actions are subject to certain other specific limitations as disclosed in the Amended Plan.

Term of Awards

The expiry date of any options granted under the Existing Plans may not exceed ten years from the date of grant of such options. Under the Amended Plan, the Committee has discretion to specify the term of each Award. The Amended Plan does not impose maximum term limits on Awards, with the exception of (i) "incentive stock options" within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (an "**Incentive Stock Option**"); and (ii) stock appreciation rights, each of which may have an expiry date not to exceed ten years.

Exercise Price

The minimum exercise price for any options issued under either of the Current Plans is 100% of the closing price of the Shares on the date of grant, less any allowable discounts permitted by the CSE, and under the ICM Plan is 100% of the fair market value of the Shares as determined using a reasonable valuation method.

Under the Amended Plan, the minimum exercise price of an option cannot be less than 100% (or 110% in the case of an Incentive Stock Option held by a holder of more than 10% of the total combined voting power of all classes of shares of the Corporation) of the greater of: (i) the fair market value of a Share on the date of grant of such option; and (ii) the fair market value of a Share on the trading day prior to the date of grant of such option, which grant shall occur after the close of the CSE on the grant date.

Under the Amended Plan, the fair market value is determined by the Committee and cannot be less than the last available trading price of the Shares on any stock exchange(s) or trading platform(s) through which the Shares trade or are quoted for trading from time to time.

Termination of Services

Vested and exercisable options will expire 90 days after an optionee ceases to be involved with the Corporation under the ICM Plan and 30 days after an optionee ceases to be involved with the Corporation under the Current Plans, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Corporation under any of the Existing Plans.

Under the Amended Plan, the Committee will have broad discretion to determine the circumstances in which Awards will be exercised, vested, paid, repurchased or forfeited if the holder of an Award ceases to provide services to the Corporation or any affiliate prior to the end of a performance period or exercise or settlement of such Award. If the award agreement is silent on such circumstances, any vested Awards will expire 30 days after the Award holder ceases to provide services (unless the Award holder is terminated for cause) and unvested Awards will expire on the date that the Award holder ceases to provide services. If the Award holder is terminated for cause, all Awards held by such person will be terminated on the date that the Award holder's services are terminated.

Change in Control

The Current Plans and the Amended Plan contain substantially similar definitions of what constitutes a "change in control"; however, the Amended Plan provides the Committee with broad discretion to determine whether a change in control has occurred or to deem any other event to be a change in control, and the date of the occurrence of such change in control and any incidental matters relating thereto.

Similarly, under the Current Plans, on a change in control, the Committee may in its discretion, among other things: (i) cause all or a portion of any outstanding options to terminate; or (ii) cause all or a portion of any of the options to be exchanged for options of another corporation.

Under the Amended Plan, the Committee will have broad discretion to set out in an award agreement the consequences of a change in control with respect to the cancellation, vesting or exchange of any outstanding Award. If the award agreement is silent, Awards will continue to vest in accordance with the terms of the Amended Plan and the applicable award agreement, unless during the period of 24 months following a change in control the award recipient is terminated for any reason other than for cause, in which case such unvested awards will be deemed to have vested and be exercisable. With the exception of outstanding options and deferred stock units, the Committee may determine that upon a Change in Control, all outstanding awards may be cancelled and the value of such awards paid out in cash.

Individual Participation Limits

While, the ICM Plan does not impose individual limits on grants to optionees, under the Current Plans there are certain restrictions on the number of options that can be granted to any one person in any 12-month period and the number of options that can be granted to insiders as a group in any 12-month period. As well, there are certain other individual limits under the Current Plans regarding options granted to any one consultant and employees performing investor relations activities.

The Amended Plan will also include participation restrictions on grants of Awards and below is a brief summary comparison of the material differences between the restrictions imposed by the Current Plans and the restrictions proposed pursuant to the Amended Plan:

- Under the Amended Plan, the Corporation will not issue Awards to any insider in any 12 month period which when issued would result in the issuance of securities exceeding 5% of the issued and outstanding Shares of the Corporation. A similar restriction exists under the Current Plan; however, the restriction under the Current Plan applies to any eligible person rather than insiders only.
- Under the Amended Plan, the restrictions relating to consultants and employees performing investor relations activities will be removed.
- Under the Amended Plan, the number of securities that can be reserved for issuance pursuant to grants of Awards to insiders, collectively, will not exceed 10% of the outstanding securities of the Corporation and to any one insider, will not exceed 5% of the outstanding securities of the Corporation, unless the Corporation obtains the requisite disinterested shareholder approval. This additional limitation on participation of the insiders generally in the Amended Plan will be added to the Amended Plan to comply with applicable Canadian securities laws.

U.S. Amendments

In light of the Corporation's operations in the United States, the Amended Plan also contains certain amendments to conform the terms of the Amended Plan to applicable United States securities and tax laws.

Rationale for Amendments

The purpose of the Amended Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Corporation and its affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and Shareholders and, in general, to further the best interests of the Corporation and its shareholders.

As the Corporation continues to expand and increase its number of employees and independent consultants, an increase in the maximum number of Shares issuable under its security based compensation arrangements would allow the Corporation to further conserve its cash resources while maintaining the ability to attract and retain the talent necessary to drive performance. The provision of different types of Awards would provide the Corporation with greater flexibility in order to attract and retain individuals to serve as employees, directors and other individuals who are expected to contribute to the Corporation's success and to achieve long-term objectives that will benefit shareholders of the Corporation.

The use of security based compensation arrangements as part of a competitive total compensation package for employees in certain roles would allow the Corporation to offer lower base salaries thereby lowering its fixed cash compensation costs. As a cannabis-related company, with limited access to debt financing, the Corporation is largely dependent upon equity financing to provide the capital necessary to grow its business. With a view to extending the cash resources that the Corporation has available, it is important for the Corporation to be prudent in the management of its fixed cash expenses across all areas of the Corporation's operations, including in the area of employee compensation. The Corporation wishes to ensure there is a sufficient number of Shares available for issuance under its security-based compensation arrangements to provide for equity-based employee compensation into the future.

Approval of the Amended Plan

A summary of the material terms of the Amended Plan is set out in Schedule "C" to this Circular and a copy of the Amended Plan may be requested from the Corporation by emailing your request to the CFO and Corporate Secretary of the Corporation at info@ianthuscapital.com. A copy of the Amended Plan is posted together with the Proxy Materials on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com.

At the Meeting, Shareholders will be asked to pass an ordinary resolution (the "**Amendment Resolution**"), the full text of which is set out in Schedule "B" to this Circular, approving the amendment and restatement of the Existing Plans pursuant to the terms and conditions of the Amended Plan and the adoption of the Amended Plan. In order to be adopted, the Amendment Resolution must be passed by a simple majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE AMENDMENT RESOLUTION. IT IS INTENDED THAT THE SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE AMENDMENT RESOLUTION, IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR APPROVAL OF THE AMENDMENT RESOLUTION.

Pursuant to the policies of the CSE, Shareholder approval is not required for the Amended Plan. The Board has determined to submit the Amendment Resolution for Shareholder approval to comply with U.S. tax laws and to demonstrate the Board's commitment to transparency in the corporate decision making process. In the event the Amendment Resolution is not approved, the Amended Plan will cease to be effective as of the date of the Meeting and the provisions of the Current Plans will continue to govern.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements for the year ended December 31, 2017. Copies of the Corporation's financial materials are available upon request from the CFO and Corporate Secretary of the Corporation at Suite 2740, 22 Adelaide Street West, Toronto, Ontario, Canada M5H 4E3 Tel: (416) 591-1525, or by email at: info@ianthuscapital.com. Copies of these documents and additional information are also available on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Management Proxy Circular.

DIRECTORS' APPROVAL

The contents of this management proxy circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, this 15th day of October, 2018.

THE BOARD OF DIRECTORS

"Hadley C. Ford"

Hadley C. Ford
Chief Executive Officer

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SCHEDULE "A"

to the Management Proxy Circular of

iANTHUS CAPITAL HOLDINGS, INC.
(the "Corporation")

CHANGE OF AUDITOR PACKAGE

22 Adelaide Street West, Suite 2740
Toronto, Ontario Canada M5H 4E3
Tel: (604) 518-9418
Email: info@ianthuscapital.com
(the "Company")

NOTICE OF CHANGE OF AUDITOR
(the "Notice")

To: **BDO Canada LLP**
And To: **Marcum LLP, Accountants and Advisors**

A. The directors of the Company do not propose to re-appoint BDO Canada LLP as auditors for the Company; and

B. The directors of the Company propose to appoint Marcum LLP, Accountants and Advisors, as auditors of the Company, effective August 10, 2018, to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Company confirms that:

1. BDO Canada LLP was asked to resign as auditor of the Company, effective August 10, 2018, to facilitate the appointment of Marcum LLP, Accountants and Advisors, 750, 3rd Avenue, 11th Floor, New York, NY, 10017, USA;

2. BDO Canada LLP has not expressed any reservation in its report for the two most recently completed fiscal years, being the fiscal years ended December 31, 2017 and December 31, 2016, of the Company, nor for the fiscal period from the most recently completed financial year end for which BDO Canada LLP issued an audit report in respect of the Company and to the date of this Notice;

3. In the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the most recently completed fiscal year of the Company nor any period from the most recently completed financial period for which BDO Canada LLP issued an audit report in respect of the Company and the date of this Notice; and

4. The Notice and Auditor's Letters have been reviewed by the Audit Committee and the Board of Directors.

Dated as of the 10 day of August, 2018

iAnthus Capital Holdings, Inc.

/s/ Julius Kalcevich
Julius Kalcevich
Chief Financial Officer

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

August 10, 2018

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Prince Edward Island Office of the Attorney General
Newfoundland Securities NL

Dear Sirs:

Re: iAnthus Capital Holdings, Inc. (the "Company")

We have read the statements made by the Company in the Change of Auditor Notice dated August 10, 2018, which we understand will be filed pursuant to Section 4.11 of the National Instrument 51-102. We agree with the statements in the Change of Auditor Notice dated August 10, 2018.

Throughout the period that BDO Canada LLP ("BDO") was the Company's auditor, there have been no reservations in our reports or any "reportable events" as that term is defined in Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*. The resignation of BDO has not occurred because of any reportable disagreement or unresolved issue involving the Company, or any consultation with the successor auditor Marcum LLP.

Yours very truly,

(signed) "BDO CANADA LLP"

Chartered Professional Accountants

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

MARCUM
ACCOUNTANTS ▲ ADVISORS

August 10, 2018

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Prince Edward Island Office of the Attorney General
Office of the Superintendent of Securities Service Newfoundland and Labrador

Dear Sirs and Mesdames:

Re: iAnthus Capital Holdings, Inc. (the "Company") – Change of Auditor

In connection with our proposed engagement as auditor of the Company, as required by National Instrument 51-102 - *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor dated August 10, 2018 given by the Company to ourselves and BDO Canada LLP, Chartered Accountants.

Based on our information at this date, we agree with the statements set out in the Notice that relates to us and we do not agree or disagree with the statements contained in the Notice that relate to BDO Canada LLP, Chartered Accountants.

Yours truly,

MARCUM LLP, Accountants and Advisors

SCHEDULE "B"

to the Management Proxy Circular of

iANTHUS CAPITAL HOLDINGS, INC.
(the "**Corporation**")

FULL TEXT OF AMENDMENT RESOLUTION

Amended and Restated Omnibus Incentive Plan

WHEREAS the board of directors of the Corporation (the "**Board**") has determined that adoption of certain amendments to (i) the class A convertible restricted voting share stock option plan approved by the Board on August 28, 2017; (ii) the common share stock option plan approved by the Board on March 11, 2016; and (iii) the 2015 equity compensation plan of iAnthus Capital Management, LLC, adopted by the Corporation on August 15, 2016 (collectively, the "**Existing Plans**") on the terms and conditions of the amended and restated omnibus incentive plan (the "**Amended Plan**") as described in the Management Proxy Circular of the Corporation dated October 9, 2018 (the "**Circular**"), and in the form which is posted together with the Circular on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com, is in the best interests of the Corporation and its shareholders.

"**IT IS RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:**

1. The amendment and restatement of the Existing Plans pursuant to the terms and conditions of the Amended Plan, and the adoption of the Amended Plan as described in the Circular, is hereby authorized, approved, ratified and confirmed.

2. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Board may revoke such resolution at any time before it is effected without further action by the shareholders.

3. Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver, under corporate seal or otherwise, all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to give implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

SCHEDULE "C"

to the Management Proxy Circular of

iANTHUS CAPITAL HOLDINGS, INC.
(the "Corporation")

SUMMARY OF THE MATERIAL TERMS OF THE iANTHUS CAPITAL HOLDINGS, INC. AMENDED AND RESTATED OMNIBUS INCENTIVE PLAN

The following is a summary of the material provisions of the iAnthus Capital Holdings, Inc. Amended and Restated Omnibus Incentive Plan (the "**Amended Plan**"). This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Amended Plan, a copy of which may be obtained upon request from the CFO and Corporate Secretary of the Corporation by email at: info@ianthuscapital.com. A copy of the Amended Plan is also available on the Corporation's website at https://ir.ianthuscapital.com/annual-2018 and under the Corporation's SEDAR profile at www.sedar.com. Unless otherwise defined in this Schedule "C", all capitalized terms used herein will have the meanings ascribed to them in the Amended Plan.

The Amended Plan

The purpose of the Amended Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Corporation and its Affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and Shareholders and, in general, to further the best interests of the Corporation and its shareholders. The Amended Plan is intended to comply with Section 422 of the Code, with respect to the U.S. Participants participating in the Amended Plan, if and when applicable, and is intended to provide for Awards which are excluded from the "salary deferral arrangement" rules in the ITA with respect to Canadian Employee Participants participating in the Amended Plan.

If approved, the Amended Plan will amend, restate, supersede and replace the Existing Plans. All options previously granted by the Corporation under the Existing Plans that are outstanding as at the Effective Date will be deemed to be granted under the Amended Plan and will continue to exist subject to their existing terms and conditions.

Eligibility

Any employee, officer, director, Consultant or, subject to Applicable Law, other advisor of, or any other individual who provides Services to the Corporation or any Affiliate will be eligible to receive an Award under the Plan. Only eligible employees of the Corporation and its Affiliates (as determined in accordance with Section 422(b) of the Code (and Sections 424(e) and 424(f) of the Code with respect to Incentive Stock Options) in the case of employees who are U.S. Participants) are eligible to be granted Incentive Stock Options under the Plan and no Canadian Participant, other than a Canadian Employee Participant, will be eligible to be granted Deferred Stock Units under the Plan. Eligibility for the grant of Awards and actual participation in the Plan will be determined by the Committee.

Administration

The Amended Plan will be administered by the Committee, in its discretion and subject to the terms of the Amended Plan and Applicable Law, the Committee will have full power and discretion to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under

the Amended Plan; (iii) determine the number of Common Shares or Class A Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) any one or more of the Awards, including whether an Award will be a Canadian Award or a U.S. Award; (iv) authorize and approve the applicable form and determine the terms and conditions, not inconsistent with the terms of the Amended Plan, of any Award Agreement and Award granted hereunder (including the exercise price (if any), the exercise period, any termination provisions, any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the Common Shares or Class A Shares relating thereto, based on such factors, if any, as the Committee will determine); (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Common Shares, Class A Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Common Shares, Class A Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Amended Plan will be deferred either automatically or at the election of the holder thereof or of the Committee, taking into consideration the requirements of Section 409A of the Code; (vii) determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of securities acquired pursuant to the exercise of an Award for a period of time as determined by the Committee following the date of the grant of such Award; (viii) determine whether an Option is an Incentive Stock Option or Non-Qualified Stock Option; (ix) interpret and administer the Amended Plan and any instrument or agreement relating to, or Award made under, the Amended Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it will deem appropriate for the proper administration of the Amended Plan; (xi) permit accelerated vesting or lapse of restrictions of any Award at any time; and (xii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Amended Plan.

The grant of each Award pursuant to the Amended Plan will be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Each such Award Agreement will include both terms and conditions as specifically provided for in the Amended Plan as well as such additional terms and conditions, in either case not inconsistent with the provisions of the Amended Plan, as the Committee will determine.

Options

All options previously granted by the Corporation under the Existing Plans that are outstanding as at the Effective Date will be deemed to be granted under the Amended Plan and will continue to exist subject to their existing terms and conditions.

An Option is any right granted to a Participant under the Amended Plan allowing such Participant to purchase Shares at such price or prices and during such period or periods as the Committee shall determine, as set out in the applicable Award Agreement.

The Committee will be authorized to grant Options to Participants under the Amended Plan. Incentive Stock Options must be granted within ten years from the earlier of: (i) the date the Amended Plan was adopted by the Board (i.e., the Effective Date); or (ii) the date the Amended Plan is approved by the Corporation's shareholders. Each Award Agreement will separately designate whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option, and will include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Amended Plan, as the Committee will determine, in its discretion.

The number and kind of Shares for which any Option may be granted will be determined by the Committee. Each Award Agreement will specify the exercise price per Share as determined by the Committee at the time the Option is granted; provided, however, that, except in the case of Substitute Awards, such exercise price will not be less than 100% (or not less than 110% in the case of an Incentive Stock Option granted to a 10% Shareholder) of the greater of: (i) the Fair Market Value of a Share on the date of grant of such Option; and (ii) the Fair Market Value of a Share on the trading day prior to the date of grant of such Option, which grant will occur after the close of the Exchange on the grant date.

Each Award Agreement will specify the term for which the Option thereunder is granted and will provide that such Option will expire at the end of such term; provided, however, that the term (measured from the grant date) of an Incentive Stock Option will not exceed ten years or five years for an Incentive Stock Option to a 10% Shareholder. If the term of an Option (other than an Incentive Stock Option) held by any Participant not subject to Section 409A of the Code would otherwise expire during, or within two business days of the expiration of a Blackout Period applicable to such Participant, then the term of such Option will be extended to the earlier of the end of such Blackout Period or, provided the Blackout Period has ended, the expiry date.

With the approval of the Committee, a Participant may elect to exercise an Option, in whole or in part, without payment of the aggregate Option Price due on such exercise by electing to receive Shares equal in value to the difference between the Option Price and the Fair Market Value on the date of exercise, computed in accordance with the Amended Plan.

Stock Appreciation Rights

The Committee will be authorized to grant SARs to Participants under the Amended Plan. Each SAR will represent a right to receive, on exercise by the Participant, the excess of the Fair Market Value of one Share on the date of exercise over the base price of the SAR on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee, which, except in the case of Substitute Awards, will not be less than the greater of: (i) the Fair Market Value of a Share on such date of grant of the SAR or the related Option, as the case may be; and (ii) the Fair Market Value of a Share on the trading day prior to such date of grant of the SAR or the related Option, as the case may be.

Each Award Agreement will specify whether a SAR is granted to a Participant as either a freestanding SAR or a tandem SAR.

Any tandem SAR related to an Option will be granted at the same time such Option is granted to the Participant. In the case of any tandem SAR related to any Option, the SAR or applicable portion thereof will not be exercisable until the related Option or applicable portion thereof is exercisable and will terminate and no longer be exercisable on the termination or exercise of the related Option, except that a SAR granted with respect to less than the full number of Shares covered by a related Option will not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SAR. Any Option related to any tandem SAR will no longer be exercisable to the extent the related SAR has been exercised.

A freestanding SAR will not have a term greater than ten years or, unless it is a Substitute Award, a base price less than 100% of the greater of: (i) the Fair Market Value of the Share on the date of grant; and (ii) the Fair Market Value of the Share on the trading day prior to the date of grant, which grant will occur after the close of the Exchange on the grant date. Notwithstanding the foregoing, if the term of a SAR held by any Participant not subject to Section 409A of the Code would otherwise expire

during, or within two business days of the expiration of a Blackout Period applicable to such Participant, then the term of such SAR will be extended to the earlier of the end of such Blackout Period or, provided the Blackout Period has ended, the expiry date.

Restricted Stock and Restricted Stock Units

The Committee will be authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants under the Amended Plan.

Each Restricted Stock Unit will represent a right to receive a cash payment equal to the Fair Market Value of one Share or, as the Committee's discretion, one Share. Shares of Restricted Stock and Restricted Stock Units will be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to receive any dividend or Dividend Equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate.

Deferred Stock Units

The Committee will be authorized to grant Awards of Deferred Stock Units to Participants under the Amended Plan. Deferred Stock Units provide Participants with compensation opportunities which are compatible with the interests of the Corporation's shareholders, encourage a sense of ownership and reward significant achievements.

Deferred Stock Units will be settled on expiration of the deferral period specified for an Award of Deferred Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock Units will be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock Units may be satisfied by delivery of a cash payment, Shares, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

The Committee may award Dividend Equivalents with respect to Awards of Deferred Stock Units. The entitlements on such Dividend Equivalents will not be available until the expiration of the deferral period for the Award of Deferred Stock Units.

Performance Awards

The Committee will be authorized to grant Performance Awards to Participants under the Amended Plan payable on the attainment of specific Performance Goals.

If the Performance Award is payable in shares of Restricted Stock, such shares will be transferable to the Participant only on attainment of the relevant Performance Goal. If the Performance Award is payable in cash, it may be paid upon the attainment of the relevant Performance Goals either in cash or in shares of Restricted Stock (based on the then current Fair Market Value of such Shares), as determined by the Committee.

Subject to the applicable provisions of the Award Agreement and the Amended Plan, on a Participant's termination of Service for any reason during the Performance Period for a given Performance Award, the Performance Award in question will vest or be forfeited in accordance with the terms and

conditions established by the Committee on the date of the grant of the Performance Award. Based on Service, performance and/or such other factors or criteria, if any, as the Committee may determine, the Committee may, at or after grant, due to such Service, performance and/or such other factors or criteria relating to the Participant's performance to date accelerate on a pro rata basis the vesting of all or any part of any Performance Award.

When and if Performance Awards become payable, a Participant having received the grant of such units will be entitled to receive payment from the Corporation in settlement of such units in cash, Shares of equivalent value (based on the Fair Market Value, subject to Applicable Law), in some combination thereof, or in any other form determined by the Committee.

Other Stock Based Awards

The Committee will be authorized, subject to limitations under Applicable Law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent on performance of the Corporation or business units thereof, Shares awarded purely as a bonus and not subject to restrictions or conditions, or any other factors designated by the Committee.

Insider Limitations

Subject to the terms of the Amended Plan and unless permitted by Applicable Law, the Corporation will not grant Awards under the Amended Plan to an employee or Consultant of the Corporation who is an investor relations person of the Corporation, an Associated Consultant of the Corporation, an Executive Officer of the Corporation, a director of the Corporation, or a Permitted Assign of those persons if, after the distribution, (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under any Security Based Compensation Arrangement granted to (i) Related Persons, exceeds 10% of the outstanding securities of the Corporation, or (ii) a Related Person, exceeds 5% of the outstanding securities of the Corporation, or (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to (i) Related Persons, exceeds 10% of the outstanding securities of the Corporation, or (ii) a Related Person and the Associates of the Related Person, exceeds 5% of the outstanding securities of the Corporation.

Effect of Termination of Service on Awards

The Committee may specify the circumstances in which Awards will be exercised, vested, paid or forfeited in the event a participant ceases to provide service to the Corporation or any Affiliate prior to the end of a performance period or exercise or settlement of such Award. If no such circumstances are specified in the terms of an Award Agreement for a participant, the following terms will apply:

(a) if a participant resigns their office or employment, or the employment of a participant is terminated, or a participant's contract as a consultant terminates, only the portion of the Awards (except for Deferred Stock Units granted to Canadian Employee Participants) that has vested and is exercisable at the date of any such resignation or termination may be exercised by the participant during the period ending 30 days after the date of resignation or termination, as applicable, after which period all Awards expire;

(b) if a participant resigns their office or employment, or the employment of a participant is terminated, or a participant's contract as a consultant terminates, the portion of the Awards

(except for Deferred Stock Units granted to Canadian Employee Participants) that has not vested and is not exercisable at the date of any such resignation will expire on the date of any such resignation or termination;

(c) any Awards (except Deferred Stock Units), whether vested or unvested, will expire immediately upon the participant being dismissed from their office or employment for cause or on a participant's contract as a consultant being terminated before its normal termination date for cause, including where a participant resigns their office or employment or terminates their contract as a consultant after being requested to do so by the Corporation as an alternative to being dismissed or terminated by the Corporation for cause.

Changes in Control

Except as otherwise provided in an Award Agreement, the occurrence of a Change in Control will not result in the vesting of unvested Awards nor the lapse of any period of restriction pertaining to any Restricted Stock or Restricted Stock Units ("**Unvested Awards**"). For the period of 24 months following a Change in Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for cause: (i) any Unvested Awards as at the date of such termination will be deemed to have vested, and any period of restriction will be deemed to have lapsed, as at the date of such termination and will become payable as at the date of termination; and (ii) the level of achievement of Performance Goals for any Unvested Awards that are deemed to have vested pursuant to (i) above, will be based on the actual performance achieved at the end of the applicable period immediately prior to the date of termination. Subject to certain restrictions as set out in the Amended Plan, notwithstanding the above, no cancellation, acceleration of vesting, lapsing of restrictions, payment of an Award, cash settlement or other payment will occur with respect to any Award if the Committee reasonably determines in good faith in connection with a Change in Control that such Award will be honoured or assumed, or new rights substituted therefor by any successor to the Corporation or an Affiliate.

Amendments and Termination

Unless required by Applicable Law, the Committee may amend, alter, suspend, discontinue or terminate the Amended Plan and any outstanding Awards granted thereunder, in whole or in part, at any time without notice to or approval by the Shareholders of the Corporation, for any purpose whatsoever, provided that where the such amendment relates to any outstanding Award and it would (i) materially decrease the rights or benefits accruing to the holder of an Award; and (ii) materially increase the obligations of the holder of an Award, then, unless otherwise excepted out by a provision of the Plan, the Committee must also obtain the written consent of the holder of such Award in question to such amendment.

Term of the Amended Plan

The term of the Amended Plan is ten years from the Effective Date. However, unless otherwise expressly provided in the Amended Plan or in an applicable Award Agreement, any Award granted prior to the date that is ten years from the Effective Date may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, will extend beyond such date.

Withholding Tax

The Corporation or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Corporation or Affiliate, an amount sufficient to satisfy federal, provincial, state, local and foreign taxes required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of the Amended Plan.

Certain U.S. Federal Income Tax Consequences of the Amended Plan

The following is a summary of certain U.S. federal income tax consequences associated with Awards granted under the Amended Plan. This summary does not purport to cover U.S. federal employment tax or other U.S. federal tax consequences that may be associated with the Amended Plan, nor does it cover state, local or non-U.S. taxes, except as may be specifically noted.

Stock Options (other than Incentive Stock Options)

In general, a Participant subject to U.S. income tax has no taxable income upon the grant of a Non-Qualified Stock Option, but realizes income in connection with the exercise of the Non-Qualified Stock Option in an amount equal to the excess (at the time of exercise) of the Fair Market Value of the Shares acquired upon exercise over the exercise price. A corresponding deduction is generally available to the Corporation. Upon a subsequent sale or exchange of the Shares, any recognized gain or loss is treated as a capital gain or loss for which the Corporation is not entitled to a deduction.

Incentive Stock Options

In general, a Participant subject to U.S. income tax realizes no taxable income upon the grant or exercise of an Incentive Stock Option. However, the exercise of an Incentive Stock Option may result in an alternative minimum tax liability to the Participant. With some exceptions, a disposition of Shares purchased pursuant to an Incentive Stock Option within two years from the date of grant or within one year after exercise produces ordinary income to the Participant (and generally a deduction to the Corporation) equal to the value of the Shares at the time of exercise less the exercise price. Any additional gain recognized in the disposition is treated as a capital gain for which the Corporation is not entitled to a deduction. If the Participant does not dispose of the Shares until after the expiration of these one and two-year holding periods, any gain or loss recognized upon a subsequent sale of shares purchased pursuant to an Incentive Stock Option is treated as a long-term capital gain or loss for which the Corporation is not entitled to a deduction.

Restricted Stock

In general, the grant of Restricted Stock does not itself result in taxable income. Instead, the Participant subject to U.S. income tax is taxed on the Fair Market Value of the Restricted Stock that vests on a vesting date. The exception to this tax rule is the situation where the Participant voluntarily makes an election under Section 83(b) of the Code, within 30 days of the grant date, to be taxed on the entire Fair Market Value of the Shares on the date of the grant. Once the long-term capital gains holding period of one year after the date of the Shares are taxed is satisfied, the Participant is entitled to favorable U.S. capital gains tax instead of ordinary income tax.

Restricted Stock Units

The grant of a Restricted Stock Unit does not itself generally result in taxable income. Instead, the Participant subject to U.S. income tax is taxed upon vesting and settlement (and a corresponding

deduction is generally available to the Corporation), unless he or she has made a proper election to defer receipt of the Shares (or defer receipt of cash if the award is cash settled) under Section 409A of the Code. If the Shares delivered are restricted for tax purposes, the Participant will instead be subject to the rules described above for Restricted Stock.

Certain Change of Control Payments

Under Section 280G of the Code, the vesting or accelerated exercisability of Options or the vesting and payments of other Awards in connection with a change in control of a corporation may be required to be valued and taken into account in determining whether Participants have received compensatory payments, contingent on the change in control, in excess of certain limits. If these limits are exceeded, a substantial portion of amounts payable to the Participant, including income recognized by reason of the grant, vesting or exercise of awards may be subject to an additional 20% federal tax and may be non-deductible to the Corporation.

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QUESTIONS MAY BE DIRECTED TO THE

PROXY SOLICITATION AGENT

North America Toll Free
1-877-452-7184

Collect Calls outside North America
1-416-304-0211

Email: assistance@laurelhill.com