iANTHUS CAPITAL HOLDINGS, INC.

MANAGEMENT PROXY CIRCULAR

FOR

ANNUAL GENERAL AND SPECIAL MEETING

TO BE HELD

NOVEMBER 14, 2017

October 10, 2017

TABLE OF CONTENTS

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

with information as at October 10, 2017 (*or 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 the 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 14, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Management Proxy 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. "**Beneficial 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 Beneficial 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 will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard. All holders of Class A Shares are registered shareholders.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (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 Common Shares and/or Class A Shares, as the case may be, 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 Common Shares and/or Class A Shares, as the case may be, 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 Common Shares and/or Class A 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 enclosed proxy form 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 enclosed proxy form 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.**

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name (non-registered shareholders). Beneficial 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 Common Shares) or as set out in the following disclosure.

The record date for determination of the holders of common shares entitled to receive notice of, and to vote at, the Meeting is October 10, 2017 (the "**Record Date**"). Only shareholders whose names have been entered in the register of shareholders of Common Shares, or in the register of shareholders of Class A Shares 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 common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust Corporation through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the "**beneficial holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the Common 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).

There are two kinds of beneficial holders: 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. The Corporation is taking advantage of the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") that permit the Corporation to deliver Meeting materials directly to its NOBOs and indirectly through Intermediaries to the OBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These Meeting materials are being sent to both registered and beneficial holders of securities of the Corporation. If you are a beneficial holder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these Meeting materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting materials to each OBO, unless the OBO has waived the right to receive them. The Corporation does not intend to pay for an Intermediary to deliver Meeting materials to OBOs. Accordingly, OBOs will not receive the Meeting materials unless their Intermediary assumes the cost of delivery. Beneficial holders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

Intermediaries often use service companies to forward the Meeting materials to beneficial holders. Generally, beneficial holders who have not waived the right to receive Meeting materials will either:

(a) be given a VIF **which is not signed by the Intermediary** and which, when properly completed and signed by the beneficial holder and **returned to the Intermediary or its service Corporation**, will constitute voting instructions, which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. 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 the form of proxy to validly constitute a voting

instruction form, the beneficial holder 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 Corporation in accordance with the instructions of the Intermediary or its service Corporation; 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 beneficial holder 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 beneficial holder when submitting the proxy. In this case, a beneficial holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with 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 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit beneficial holders to direct the voting of their Common Shares. Should a beneficial holder 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 beneficial holder), the beneficial holder should strike out the names of the persons named in the form of proxy and insert the beneficial holder'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, beneficial holders 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 Meeting materials are to Registered Shareholders unless specifically stated otherwise.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer with its registered corporate office located in Canada, the securities of which are listed on a Canadian stock exchange, and therefor the solicitor of proxies is being effected in accordance with the corporate laws of Canada and the securities laws of the Provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

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 Common Shares.

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

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

Other than as disclosed in this Management Proxy 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, 2016 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 Management Proxy 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 10, 2017 as the record date (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 Common Shares and/or Class A Shares voted at the Meeting, except to the extent that:

(a) the shareholder has transferred the ownership of any such share after the record date, and

(b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common 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 10, 2017, the Corporation had 16,538,977 fully paid and non-assessable Common Shares outstanding. All of the 11,255,000 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 10, 2017.

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 outstanding Class A Shares of the Corporation as at October 10, 2017:

Shareholder Name[(1)]	Number of Class A Shares Held	Percentage of Issued Class A Shares[(2)]
Hadley C. Ford	2,712,500	24.1%
Randy Maslow	2,712,500	24.1%

Notes:

(1) The above information was obtained from SEDI.
(2) If converted to Common Shares this beneficial ownership would be approximately 9.76% each.

Escrow Shares

As at December 31, 2016 there were 6,750,254 Common Shares held in escrow (the "**Escrow Shares**") but the release schedule for the Escrow Shares allows for 15% to be released every six months. As at October 10, 2017 there were 4,500,169 Escrow Shares remaining.

Documents Incorporated by Reference

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador at www.sedar.com are specifically incorporated by reference into, and form an integral part of, this Management Proxy Circular:

- The Final Long Form Prospectus of the Corporation with respect to the Share Exchange Transaction which closed on August 12, 2016 (SEDAR filed on August 15, 2016).

- The audited financial statements of the Corporation for the financial year ended December 31, 2016, the auditor's report thereon and the related management discussion and analysis (SEDAR filed on May 1, 2017).

- The interim financial statements of the Corporation for the six month period ended June 30, 2017 and the related management discussion and analysis (SEDAR filed on August 28, 2017).

- The Corporation's Annual Information Form (the "**AIF**") for the financial year ended December 31, 2016 (SEDAR filed on September 20, 2017).

Copies of documents incorporated herein by reference may also be obtained by a Shareholder upon request without charge from the Corporation's CFO and Corporate Secretary at 40 University Avenue, Suite 605, Toronto, Ontario, M5J 1T1 Tel: (416) 591-1525, or by email at: info@ianthuscapital.com.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2016, the report of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Management will also submit the interim financial statements for the Corporation's six month financial period ended June 30, 2017, together with the related management discussion and analysis. Additional information may be obtained upon request from the CFO and Corporate Secretary of the Corporation at 40 University Avenue, Suite 605, Toronto, Ontario, M5J 1T1 Tel: (416) 591-1525, or by email at: info@ianthuscapital.com. Copies of these documents and additional information are also available under the Corporation's 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, and for the appointment of the auditor. 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.

A two-thirds majority of affirmative votes of all Shareholders cast on the special resolution at the Meeting is required to pass the special resolutions approving the Alteration of the Articles (the "**Articles**") of the Corporation to include the Advance Notice Provision as described herein. A simple majority of the votes of Class A Shareholders cast on the resolution is required to pass the ordinary resolution to approve the Class A Option Plan as described herein. A copy of the current Articles is available under the Corporation's profile at www.sedar.com. Copies of the alteration to the Articles and of the Class A Option Plan are attached as Schedules A and B hereto, respectively.

ELECTION OF DIRECTORS

The Articles provide that the number of directors of the Corporation must be determined by the Board, and the Board has determined that the size of the Board is set at five (5). 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.

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 10, 2017.

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 and Director New York, USA	Founder, CEO and Board member, ProCure Treatment Centers, 2005-2013. See below *Biographies of Director Nominees.*	Since August 12, 2016	Nil[(3)]
Randy Maslow[(2)] President and Director Florida, USA	Senior Vice President and General Counsel, IGE U.S. LLC, 2003 – 2006. See below *Biographies of Director Nominees.*	Since August 12, 2016	Nil[(4)]
Julius Kalcevich[(5)] Chief Financial Officer, Corporate Secretary and Director Ontario, Canada	Partner at BG Partners from January 2013 to June 2016. Director at CIBC World Markets from July 2011 to January 2013, Vice President of Dundee Capital Markets from April 2010 to July 2011. See below *Biographies of Director Nominees.*	Since August 12, 2016	415,282[(6)]

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)]
Dr. Richard J. Boxer[(2)] Director California, USA	Attending Urologist, Los Angeles Wadsworth Veteran's Administration Hospital, 2013 through present; UCLA Visiting Professor of Urology and Visiting Scholar, UCLA Business of Science Center, 2013 – present; Professor of Clinical Urology, University of Miami Department of Urology, Miami, FL, 2007- 2012: Chief Medical Officer, Teladoc, Inc. Greenwich, CT and Dallas, TX, 2006-2013. See below *Biographies of Director Nominees.*	Since September 19, 2016	63,000[(7)]
Paul Rosen[(2)] Director Ontario, Canada	President & CEO of PharmaCan Capital from March 2013 to May 2016, Chairman of Skypad Inc. from 1996- Present, Advisory Board Member of Alembic Goods from 2013- Present, and CEO of Project X from June 2011 to November 2013.See below *Biographies of Director Nominees.*	Since September 19, 2016	70,000[(8)]

Notes:

(1) The information as to principal occupation, business or employment and the Common 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 directors.

(2) Member of the Audit Committee.

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

(4) Mr. Maslow holds 2,712,500 Class A Shares, and 120,000 Options convertible into Common Shares.

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

(6) Mr. Kalcevich holds 415,282 Common Shares and 200,000 Options convertible into Common Shares.

(7) Dr. Boxer holds 63,000 Common Shares, 31,500 Warrants to purchase Common Shares, 260,000 Class A Shares, and 25,000 Options to purchase Common Shares.

(8) Mr. Rosen holds 70,000 Common Shares, 35,000 Warrants to purchase Common Shares and 25,000 Options to purchase Common Shares.

As of October 10, 2017, the directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 7,085,000 Class A Shares, 548,282 Common Shares, and 676,500 convertible securities exercisable into Common Shares representing approximately 19.24% of the Corporation's fully diluted issued and outstanding 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.

Biographies of Director Nominees

Hadley C. Ford, CEO and Director – Mr. Ford is a healthcare and technology industry veteran with more than 20 years of experience as both an operating executive and investment banker. Mr. Ford has extensive experience in all operational facets of managing a large, world-class patient-centric healthcare operation. From 2005 to 2013, Mr. Ford was the co-founder and CEO of ProCure Treatment Centers, Inc. ("**ProCure**"), developer and operator of full-service proton therapy centers for the treatment of cancer. From ProCure's inception, Mr. Ford grew the company to over 300 employees and $100 million of annual revenue. Prior to ProCure, Mr. Ford spent fourteen years on Wall Street with First Boston, Bank of America and Goldman Sachs, where he completed over

150 transactions worth billions of dollars for all size clients in multiple industries. Mr. Ford has spoken at numerous healthcare, telecom and technology conferences and has been quoted and profiled by leading media such as The New York Times, The Wall Street Journal and National Public Radio. Mr. Ford received his M.B.A. from the Graduate School of Business at Stanford University in 1991, where he was named an Arjay Miller Scholar. Mr. Ford graduated summa cum laude with a B.S. in Business Administration from Boston University in 1987 and was class valedictorian.

Randy Maslow, President and Director – Mr. 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 startup 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.

Julius Kalcevich, CFO, Corporate Secretary and Director – Mr. Kalcevich is an experienced corporate finance professional who has specialized in growth equity and cross-border transactions for leading Canadian banks and independent investment dealers. Previous to joining iAnthus, he was a partner with BG Partners Corp., a Toronto-based merchant bank, where he led the firm's investments in the cannabis sector. Mr. Kalcevich was previously a Director of Investment Banking with CIBC World Markets and Oppenheimer in Toronto and New York. During the period of 2005-2016, he completed over 25 transactions representing over $4 billion in aggregate value.

Mr. Kalcevich graduated from McGill University (B.A.) as a Scarlett Key Scholar and Columbia University (M.B.A) with First Class Honours.

Dr. Richard J. Boxer, Director – Dr. 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, Director – Mr. 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 the Western University in 1985 and an LLB from the University of Toronto in 1988.

Penalties, Sanctions, Bankruptcies or Cease Trade Orders

No director or executive officer of the Corporation is, as at the date of this Management Proxy Circular, or has been within 10 years before the date of this Management Proxy 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 Management Proxy Circular, or has been within 10 years before the date of this Management Proxy 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 Management Proxy 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.

APPOINTMENT OF AUDITOR

BDO Canada LLP, Chartered Professional Accountants, 600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, will be nominated at the Meeting for appointment as auditor of the Corporation. Pursuant to the Articles, the Board is authorized to set the Auditors' remuneration.

BDO Canada LLP, Chartered Professional Accountants, was officially appointed auditors of the Corporation effective as of March 17, 2015.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 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 AIF, which was filed under the Corporation's profile at www.sedar.com on September 20, 2017.

Audit Committee Oversight

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

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.

See "*Biographies of Director Nominees*" above for specific details of the relevant education and experience of each member of the audit committee.

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.

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 Canada LLP, Chartered Professional Accountants, to ensure auditor independence. Fees incurred with BDO Canada LLP, Chartered Professional Accountants 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 Canada, LLP in the Six Month Period Ended June 30, 2017.	Fees Paid to BDO Canada, LLP in Fiscal Year Ended December 31, 2016.	Fees Paid to BDO Canada LLP in Fiscal Year Ended December 31, 2015.
Audit Fees[(1)]	C$300,991	C$20,518	C$48,230
Audit-Related Fees[(2)]	C$84,160	C$27,838	Nil
Tax Fees[(3)]	C$22,572	C$1,050	C$735
All Other Fees[(4)]	C$86,595	C$69,255	Nil
Total	C$494,618	C$118,661	C$48,965

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

None of the current directors of the Corporation are also presently serving on boards of other reporting companies (or equivalent).

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.

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 National Instrument 51-102 ("**NI 51-102**") and relates to the Corporation's December 31, 2016 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, 2015 and December 31, 2016 was:

(a) the chief executive officer ("**CEO**") (or an individual who acted in a similar capacity) of the Corporation;

(b) the chief financial officer ("**CFO**") (or an individual who acted in a similar capacity) of the Corporation;

(c) each of the three other most highly compensated executive officers of the Corporation or any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed C$150,000); and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or any of its subsidiaries, nor acting in a similar capacity, at the end of the Corporation's fiscal years ended December 31, 2015 and 2016.

For purposes of the F6V, the following are the NEOs: Hadley C. Ford, current CEO and director; Randy Maslow, current President and director; Julius Kalcevich, current CFO and director; Savio Chiu, former CFO and former director; and David Velisek, former President and former director. The directors of the Corporation who are not also NEOs are: Dr. Richard J. Boxer, director; Paul Rosen; director; David Eaton, former director; Herrick M.T. Lau, former director; and Ronan Sabo-Walsh, former 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 for the two most recent financial years ended December 31, 2015 and 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 two most recent financial years ended December 31, 2015 and 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, 2015 and December 31, 2016. The Corporation used an exchange rate of C$0.7555 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 ($)**	**Value of Perquisites[8] ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Hadley C. Ford[1] CEO and Director	2016 2015	Nil Nil	51,000 Nil	Nil Nil	Nil Nil	Nil Nil	51,000 Nil
Randy Maslow[2] President and Director	2016 2015	Nil Nil	105,650 Nil	Nil Nil	Nil Nil	Nil Nil	105,650 Nil
Julius Kalcevich[3] CFO and Director	2016 2015	59,685 Nil	18,888 Nil	Nil Nil	Nil Nil	Nil Nil	78,572 Nil
Dr. Richard J. Boxer[2] Director	2016 2015	Nil Nil	Nil Nil	5,958 Nil	Nil Nil	Nil Nil	5,958 Nil
Paul Rosen[2] Director	2016 2015	Nil Nil	Nil Nil	6,044 Nil	Nil Nil	Nil Nil	6,044 Nil
David Velisek[4] Former President and Former Director	2016 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Savio Chiu[5] Former CFO and Former Director	2016 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
David Eaton[6] Former Director	2016 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Herrick M.T. Lau[6] Former Director	2016 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Ronan Sabo-Walsh[7] Former Director	2016 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

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

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

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

(4) Mr. Velisek was President and director of the Corporation from November 15, 2013 to August 12, 2016.

(5) Mr. Chiu was appointed as CFO on August 12, 2016 and resigned as CFO on October 24, 2016. Mr. Chiu was also a director of the Corporation from April 27, 2015 until August 12, 2016.

(6) Messrs. Eaton and Lau were each appointed director of the Corporation on March 26, 2015 and resigned on August 12, 2016.

(7) Mr. Sabo-Walsh was appointed director of the Corporation on April 27, 2015 and resigned on August 12, 2016.

(8) Perquisites provided to the NEOs do not reach the prescribed threshold.

Stock Options and Other Compensation Securities

The Corporation had two plans for incentive based compensation during the year ended December 31, 2016: 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**") and 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**").

In November 2015, ICM established the ICM 2015 Equity Compensation Plan (the "**ICM Plan**"). The ICM Plan authorized the issuance of up to 2,000,000 class A units of ICM (the "**Class A Units**"). Options granted generally vest over one and a half to two years, and typically have a life of ten years. The option price under the ICM Plan was determined in the sole discretion of management, but in no case, was less than 100% of the fair

market value of a Common Share on the grant date. ICM issued 1,350,000 unit options (the "**ICM Unit Options**") to employees, advisors and consultants. Each ICM Unit Option gave the holder the right to purchase one Class A Unit for an exercise price equal to the fair market value of a Class A Unit on the date of grant. *(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.

On March 11, 2016, the Board approved the adoption of the rolling Stock Option Plan, which 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. A copy of the Stock Option Plan was filed on August 12, 2016 under the Corporation's profile at www.sedar.com. 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 Board has the authority either to grant Options or has the authority to delegate to any Board committee (the "**Committee**") appointed for the purpose of compensating the Corporation's directors, officers, employees and consultants) the ability to grant Options to the Corporation's directors, management, employees and consultants.

Options can be granted, from time to time in the sole discretion of the Board or the Committee, to persons eligible to receive Options under the Stock Option Plan. Option exercise prices are set in accordance with CSE policies.

In determining the number of Options to be granted to the executive officers, the Board considers a number of factors including the amount and term of Options previously granted, base salary and annual performance incentives awarded to the executives and commensurate with those offered by other companies in our industry; and the exercise price of any outstanding options to ensure that such grants are in accordance with CSE policies. Options vest on terms established by the Board at the time of grant. See disclosure under "Stock Option Plans and Other Incentive Plans" for material terms of the Stock Option Plan.

Prior to closing of the RTO, the Corporation did not grant Options. Prior to closing of the RTO, ICM granted to each of Messrs. Ford and Maslow 120,000 ICM Unit Options with a C$1.60 exercise price on May 11, 2016.

[REMAINDER OF PAGE LEFT BLANK]

The following table discloses the particulars of the option-based awards granted to the NEOs and Directors under the ICM Plan and the Stock Option Plan in the financial year ended December 31, 2016. The Corporation issued certain non-executive directors a grant of 25,000 options post-RTO.

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 (mm/dd/yy)**	**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 (mm/dd/yy)**
Hadley C. Ford[(1)] CEO and Director	ICM Unit Options	120,000[(1)]	May 11, 2016	C$1.60	N/A[(2)]	C$2.33	May 11, 2026
Randy Maslow[(1)] President and Director	ICM Unit Options	120,000[(1)]	May 11, 2016	C$1.60	N/A[(2)]	C$2.33	May 11, 2026
Julius Kalcevich[(3)] CFO and Director	ICM Unit Options	200,000[(3)]	May 17, 2016	C$1.61	N/A[(2)]	C$2.33	May 17, 2026
Dr. Richard J. Boxer[(4)] Director	Options	25,000[(4)]	September 30, 2016	C$1.76	C$1.70	C$2.33	September 30, 2026
Paul Rosen[(4)] Director	Options	25,000[(4)]	September 30, 2016	C$1.76	C$1.70	C$2.33	September 30, 2026
David Velisek[(5)] Former President and Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Savio Chiu[(5)] Former CFO and Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
David Eaton[(5)] Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Herrick M.T. Lau[(5)] Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ronan Sabo-Walsh[(5)] Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

(1) On May 11 2016, Messrs. Ford and Maslow were each granted 120,000 ICM Unit Options with an exercise price of C$1.60 each.

(2) The Corporation began trading on the CSE on September 7, 2016 and, as such, no closing price was available on May 11 and 17, 2016.

(3) On May 17, 2016, Mr. Kalcevich was granted 200,000 ICM Unit Options with an exercise price of C$1.61.

(4) On September 30, 2016, Dr. Boxer and Mr. Rosen were each granted 25,000 Options with an exercise price of C$1.76.

Exercise of Compensation Securities by NEOs and Directors

During the financial year ended December 31, 2016, no options were exercised by an NEO or director of the Corporation.

Stock Option Plans and Other Incentive Plans

As at October 10, 2017 the Corporation has two current option plans: (i) the Common Share Option Plan, being the "**Stock Option Plan**" and (ii) the "**Class A Option Plan**", both of which are summarized below.

Common Share Stock Option Plan

On March 11, 2016 the Board approved the Stock Option Plan, which is a "rolling" plan whereby a maximum of 10% of the issued Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of

options. As at December 31, 2016, there were 15,976,269 Common Shares outstanding. Accordingly a maximum of 1,597,627 Common Shares are available for reserve for exercise of Options under the Stock Option Plan. As at December 31, 2016, there were Options outstanding to purchase 1,538,000 Common Shares, 961,575 of which were exercisable as at December 31, 2016. As a result 59,627 Common Shares were available for reserve for exercise of incentive plan awards. As of the date of this Management Proxy Circular there are Options outstanding to purchase 2,526,000 Common Shares and 317,898 Common Shares are available for reserve for exercise of incentive plan awards.

Material Terms of Common Share Option Plan

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

1. 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 as long term investments.

2. The Board shall, from time to time and in its sole discretion, determine those executives, employees and consultants to whom Options are to be granted.

3. 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.

4. 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:

    (a) 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;

    (b) 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;

    (c) 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

    (d) 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.

5. 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.

6. All Options are non-assignable and non-transferable.

7. 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).

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

Current Common Share Stock Options

There were no re-pricings of Options under the Stock Option Plan or otherwise during the Corporation's financial years ended December 31, 2015 and December 31, 2016. Notwithstanding the foregoing, on April 27, 2017, the Board ratified, confirmed and approved, for accounting treatment, the applicable CAD exercise prices for the ICM Unit Options. As at December 31, 2016, the Corporation granted 1,538,000 Options, 961,575 of which were exercisable as at December 31, 2016. As a result, 59,627 Common Shares were available for reserve for exercise of incentive plan awards. On March 31, 2017 the Corporation granted 835,000 Options. As at the date hereof, the Corporation has 2,526,000 Options outstanding with a weighted average exercise price of C$2.14 each.

Class A Share Option Plan

On August 28, 2017 the Board adopted the Class A Option Plan for the purpose of granting Options, at the discretion of the Board or its appointed Committee, to eligible Executives, Employees and Consultants, to purchase Class A Shares. 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 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 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.

Current Class A Options

As at the date of this Management Proxy Circular there are Nil Options outstanding under the Class A Option Plan leaving 1,125,500 Class A Shares available for reserve for issuance under the Class A Option Plan.

At the Meeting the Class A Shareholders will be asked to consider, and if thought fit, ratify, confirm and approve the Class A Option Plan, the details of which are set out above. (See *Particulars of Matters to be Acted upon* below.)

Employment, consulting and management agreements

Other than 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 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 6, 2017, the agreement was cancelled.

On February 4, 2016, the Corporation entered into an agreement with Baron pursuant to which Baron would provide advisory and corporate finance services to the Corporation. Messrs. Velisek, Chiu, Eaton, Lau and Sabo-Walsh are all employed by Baron. Pursuant to the advisory services agreement, ICM retained Baron on a 12-month term upon listing on the CSE to be its exclusive corporate advisor. Pursuant to the advisory services agreement, the Corporation agreed to pay Baron a one-time fee of C$50,000 ($37,776) and a monthly cash fee of C$12,000 plus applicable tax upon listing on the CSE and the Corporation is responsible for all reasonable

out-of-pocket expenses related to the services. In addition, the Corporation granted 100,000 Options to Baron on September 9, 2016. Either party can terminate the agreement without cause by providing 30 days written notice to the other party. The agreement was renewed for another 12-month period on February 4, 2017.

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.

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.

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 did not award any bonuses during its financial year ended December 31, 2015. The Corporation awarded bonuses to certain NEOs and employees during its financial year ended December 31, 2016 as disclosed in the compensation table above.

Equity Participation

The Corporation currently offers equity participation in the Corporation through both of its Option Plans.

The Corporation had two plans for incentive based compensation during the year ended December 31, 2016, an equity compensation plan and a rolling stock option plan, as described below.

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 to directors' of Options, 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.

Share-based Awards – Equity Compensation Plan

In November 2015, ICM established the ICM Plan pursuant to ICM was authorized to issue up to the 2,000,000 Class A Units of ICM. As at December 31, 2015, ICM Unit Options to purchase 166,625 Class A Units were exercisable. In connection with the RTO and pursuant to the Share Exchange Agreement, the Corporation assumed all of the rights, duties and responsibilities and obligations of ICM under the terms of the ICM Plan. Effective on closing of the RTO, each outstanding ICM Unit Option that was in effect immediately prior to closing was exchanged for a stock option certificate authorizing the option holder to purchase the number of shares equal to the number of ICM Class A Units underlying such option holder's ICM Unit Options immediately prior to its cancellation.

Option-based Awards – Stock Option Plan and Class A Option Plan

On March 11, 2016, the Corporation adopted the Stock Option Plan, a "rolling" stock option plan, pursuant to which the Board may from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase the common shares, provided that the number of the common shares reserved for issuance will not exceed 10% of the then issued and outstanding Common Shares.

On August 28, 2017, the Board adopted the Class A Option Plan, which is also a "rolling" stock option plan, pursuant to which the Board may from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase the Class A Shares, provided that the number of the Class A Shares reserved for issuance will not exceed 10% of the then issued and outstanding Class A Shares.

Options for Common Shares and Options for Class A Shares are exercisable up to 10 years from the date of grant; so long as the optionee maintains the optionee's position with the Corporation. The number of Shares reserved for issuance to any optionee cannot exceed 5% of the then issued and outstanding Shares and the number of Shares reserved for issuance to consultants cannot exceed 2% of the then issued and outstanding Shares.

The minimum exercise price of an Option granted under either of the Stock Option Plan or the Class A Option Plan must not be less than the Discounted Market Price (as such term is defined in the policies of the CSE and other applicable regulatory authorities). Options granted to an optionee, under either of the option plans, who does not continue as a director, officer, employee or consultant of the Corporation, expire within 30 days following an optionee ceasing to be a director, officer, employee or consultant of the Corporation.

Actions, Decisions, Policies made after the Corporation's December 31, 2016 Financial Year End

On January 17, 2017, the Corporation granted an aggregate of 153,000 Options, exercisable at C$2.91 per Common Share to certain employees and consultants of the Corporation. The Options vest at a rate of 12.5% quarterly beginning on March 31, 2017.

On February 6, 2017, the Corporation entered into a strategic relationship with The Green Solution LLC and certain of its affiliated Colorado entities ("**TGS**"). The strategic relationship includes an initial financing by the Corporation to TGS, consisting of an US$7,500,000 loan facility (the "**Loan Facility**"). TGS will provide the Corporation with operational expertise and advice in support of the Corporation's investments in Massachusetts, Vermont, New Mexico and Colorado pursuant to an advisory agreement. (*See the Corporation's News Release dated February 6, 2017 filed under the Corporation's SEDAR profile at* www.sedar.com*.)*

In connection with the Loan Facility, the Corporation entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Beacon Securities Limited (the "**Underwriters**") pursuant to which the Underwriters have agreed to purchase, on a bought deal, private placement basis, C$15,000,000 aggregate principal amount of unsecured convertible debenture (the "**Convertible Debentures**") at a price of C$1,000 per Convertible Debenture (the "**Offering**"). The Convertible Debentures bear interest from the date of closing at 8.0% per annum, payable semi-annually on the last day of February and August of each year. The Convertible Debentures will have a maturity date of 24 months from the Closing Date of the Offering. The Convertible Debentures will be convertible at the option of the holder into common shares of the Corporation at any time prior to the close of business on February 28, 2019 at a conversion price of C$3.10 per share (the "**Conversion Price**"), subject to adjustment and acceleration in certain events. Beginning on June 29, 2017, the Corporation may force the conversion of all of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on 30 days prior written notice should the daily volume weighted average trading price of the common shares be greater than C$4.50 for any 10 consecutive trading days. *(See the Corporation's News Releases dated February 6, 2017 and February 7, 2017 filed under the Corporation's SEDAR profile at* www.sedar.com*.)*

On February 7, 2017, the Corporation entered into a revised agreement with the Underwriters pursuant to which the size of the Offering was increased from C$15,000,000 to C$20,000,000.

On February 28, 2017, the Corporation completed the Offering for aggregate gross proceeds of C$20 million. The Corporation used the net proceeds of the Offering to fund the credit facility with TGS and for general corporate and working capital purposes.

On March 2, 2017, the Corporation announced the commencement of the construction on a state-of-the-art cannabis cultivation and processing facility in Holliston, Massachusetts for the benefit of Mayflower Medicinals, Inc. ("**Mayflower**"), a Massachusetts non-profit Registered Marijuana Dispensary license holder affiliated with the Corporation. Mayflower is controlled by an officer of ICM. As of March 31, 2017, the Corporation loaned (including accrued interest) $3,062,152 to Mayflower.

The Corporation also provided $500,000 to Pilgrim Rock Management, LLC ("**Pilgrim**"), a related party owned by an officer of the Corporation, Mr. Randy Maslow. Pilgrim was incorporated to manage the construction of the cannabis cultivation facility in Holliston, Massachusetts and a dispensary in Boston, Massachusetts in connection with the Corporation's investment in Mayflower.

On March 3, 2017, Bergamot Properties LLC, a wholly-owned subsidiary of ICM, acquired from DB Land Holdings, Inc. a medical and recreational dispensary in the town of Breckenridge, Colorado for total consideration of $510,025.

On April 3, 2017, the Corporation announced that it obtained eligibility with The Depository Trust Corporation for the Common Shares to be listed on the OTCQB. The Common Shares began trading on the OTCQB under the symbol "ITHUF". The Common Shares principally trade and are listed on the CSE under the symbol "IAN".

On April 4, 2017, the Corporation granted Options, exercisable at C$3.10, to certain consultants and employees, to purchase up to an aggregate of 835,000 common shares. The grant includes 200,000 Options granted to TGS. All of the Options are exercisable for a period of 10 years with the following vesting periods:

- 565,000 Options vest at a rate of 12.5% on June 30, 2017, and 12.5% quarterly thereafter; and
- 270,000 Options vest at a rate of 25% on June 30, 2017, and 25% quarterly thereafter.

On April 21, 2017, the Corporation received payment of $30,000 representing the balance due from a director.

On June 12, 2017, the Corporation announced that it has signed a binding letter of intent to acquire 100% of Valley Agriceuticals, LLC, which has received conditional approval from the New York State Department of Health to be awarded one of just ten medical marijuana licenses issued by the state. Pursuant to the terms of the binding letter of intent, the Corporation will acquire 100% of Gloucester Street Capital, LLC, and its wholly owned subsidiaries, Valley Agriceuticals, LLC and Valley Agriceuticals Real Estate, LLC for US $17.3 million, which includes US$2.3 million payable in cash and US$15 million payable in common shares of the Corporation priced at US$2.00 per share. The proposed acquisition, when closed, will expand the Corporation's portfolio into five regulated cannabis states in the U.S. *(See the Corporation's News Release dated June 12, 2017 filed under the Corporation's SEDAR profile at* www.sedar.com*.)*

On August 14, 2017, the Corporation announced that it signed a letter of intent to acquire Citiva Medical, LLC ("**Citiva NY**"), which holds one of the ten vertically integrated medical marijuana licenses in New York State and Citiva, LLC ("**Citiva USA**" and together with Citiva NY, "**Citiva**"), the owner of certain regulated cannabis industry assets and intellectual property. Upon closing, this acquisition will expand iAnthus' operations into five states in the U.S., which the Company believes will constitute the largest portfolio among public companies focused on licensed cannabis operations in the U.S. Concurrently, the Corporation announced the termination of its previous term sheet with Gloucester Street Capital, LLC and its operating subsidiary, Valley Agriceuticals, LLC. *See the Corporation's News Release dated August 14, 2017 filed under the Corporation's SEDAR profile at* www.sedar.com

On August 28, 2017 the Board approved the Class A Option Plan for adoption. (See "*Stock Option Plan and Other Incentive Plans – Class A Option Plan*" above for details of the Class A Option Plan.)

On September 14, 2017 the Company entered into an agreement to provide a $2.0 million loan facility to GrowHealthy Holdings, LLC ("**GrowHealthy**"). The loan facility is $2.0 million, with a term of twelve months

and a blended interest rate of 12.5% over the term, initiating at a 5% annual rate until January 31, 2018 and escalating to 20% for the remainder of the term. The loan facility is secured by GrowHealthy's real estate holdings and related assets at its Lake Wales cultivation and processing facility. As part of the agreement, iAnthus has been granted exclusive rights to negotiate a further strategic relationship with GrowHealthy.

GrowHealthy's subsidiary, McCrory's Sunny Hill Nursery, LLC, is one of the twelve current Florida Medical Marijuana Treatment Centers licensed to provide medical cannabis under Florida's medical marijuana law. In addition to the credit facility, the Company entered into exclusive negotiations with GrowHealthy regarding a further strategic relationship between the parties.

On October 12, 2017, the Corporation announced that it purchased 2,925,003 Class B Shares of GrowHealthy for a total purchase price of US$3,000,000. For further information on GrowHealthy and the exclusivity agreement the Corporation has with GrowHealthy and GrowHealthy's affiliates, see "Description of Business – 7. GrowHealthy Holdings, LLC" at page 15 in the AIF.

On October 12, 2017, the Corporation also announced that it issued unsecured promissory notes of the Corporation for an aggregate principal amount of US$3,000,000. The promissory notes are due on October 11, 2018 and bear interest at a rate of 8% per annum. The lenders were also issued a total of 267,000 Common Share purchase warrants (the "**Lender Warrants**"). The Lender Warrants entitle the holder to acquire one Common Share at a price of $2.65 per Common Share until October 11, 2019. Pursuant to the terms of the unsecured promissory notes, if the Corporation completes a financing of at least US$5.0 million, the unsecured promissory notes must be repaid upon closing of such financing. If the unsecured promissory notes are not repaid on or before November 10, 2017, the Corporation will issue the lenders an additional 133,500 Common Share purchase warrants exercisable to acquire one Common Share at an exercise price to be determined in accordance with CSE policies.

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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at the December 31, 2016 financial year end, the Corporation had two equity compensation plans: (i) the Stock Option Plan, which was approved by the Board and dated for reference March 11, 2016, which the Board will present for approval by ordinary resolution at the Meeting; and (ii) the iAnthus Capital Management, LLC 2015 Equity Compensation Plan (defined above as the "**ICM Plan**"). The Company's equity compensation regime is briefly described below. Please refer to the *Statement of Executive Compensation – Venture Issuer* (defined above as the "**F6V**") for a more detailed description.

Common Share Option Plan

In November 2015, ICM established the ICM 2015 Equity Compensation Plan (the "**ICM Plan**"). The ICM Plan authorized the issuance of up to 2,000,000 Class A Shares. Options granted generally vest over one and a half to two years, and typically have a life of ten years. The option price under the ICM Plan is determined in the sole discretion of management, but in no case, is it to be less than 100% of the fair market value of a Common Share on the grant date.

Upon closing of the Reverse Take Over on August 15, 2016 (the "**RTO**"), the Company adopted a rolling stock option plan (the "**Stock Option Plan**"), by which the maximum number of Common Shares which can be reserved for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares of the Company. 1,300,000 options granted by ICM under the ICM Plan were assumed by the Stock Option Plan. The exercise price of each option ("**Option**") shall not be less than the closing price of the Common Shares on the

trading day immediately preceding the day on which the Option is granted, less any discount permitted by the CSE.

Class A Option Plan

On August 28, 2017 the Board approved the Stock Option Plan – Class A Convertible Restricted Voting Shares, referred to herein as the Class A Option Plan, for adoption and determined the Class A Option Plan be presented at the Meeting to be ratified, confirmed and approved by an ordinary resolution of the Class A Shareholders. (See "*Stock Option Plan and Other Incentive Plans – Class A Option Plan*" above, for details of the Class A Option Plan.)

CSE Restrictions on Option Plans

As the Corporation is listed for trading on the CSE, pursuant to CSE Policy 6.5, the Corporation must:

(a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options;

(b) comply with the provisions of National Instrument 45-106 – *Prospectus Exempt Distributions* ("**NI 45-106**"), under which the Corporation is deemed to be an "unlisted issuer" for the purposes of Division 4 of NI45-106;

(c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by the Corporation;

(d) upon first grant of options under the Option Plans, the Corporation must provide the CSE with an opinion of counsel that all the securities issuable under the option plan will be duly issued and be outstanding as fully paid and non-assessable Common Shares;

(e) terms of an option granted under the Option Plans may not be amended once issued. If an option is cancelled prior to its expiry date, the Corporation must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

For further details about the Option Plans, please review *Statement of Executive Compensation – Venture Issuer* above.

The following table sets out the Corporation's equity compensation plan information as at December 31, 2016.

Equity Compensation Plan Information

Plan	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by securityholders - the Plan	--	--	--
Equity compensation plans not approved by securityholders	1,538,000	C$1.57	59,627
Total	1,538,000	C$1.57	59,627

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the December 31, 2016 financial year end there was an outstanding loan to a director in the amount of C$30,000, which loan was repaid in full to the Corporation within the three months ended June 30, 2017. As of June 30, 2017, the was an outstanding loan to a director in the amount of C$125,000, which loan accrues 2.5% interest upon maturity, is repayable on demand and is expected to be repaid prior to June 30, 2018. Subsequent

to June 30, 2017 a further C$300,000 was drawn down under the same loan. No other 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 most recently completed financial year end or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. 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, 2016, 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 30) in the Corporation's Annual Financial Statements for the financial year ended December 31, 2016; and in "*Related Party Balances*," pages 12 to 13 of the related management discussion and analysis, both of which were filed under the Corporation's profile on May 1, 2017 at www.sedar.com. Subsequent to the Corporation's financial year end, see "Note 16. *Related Party Transactions*" (page 20) in the Corporation's interim financial statements for the six month financial period ended June 30, 2017; and in "*Related Party Balances and Transactions*" pages 20-22 of the related management discussion and analysis, both of which were filed under the Corporation's profile on August 28, 2017 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. The rental costs were $107,323 and $67,152 for the years ended December 31, 2016 and 2015, respectively.

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. For the years ended December 31, 2016 and 2015, the Corporation incurred administrative management fees of $840,000 and $190,000, respectively. As of December 31, 2016, and 2015, the amount due to LDV is $318,194 and $132,930, respectively, and amount due from LDV is $317,726 and $Nil, respectively. On September 9, 2017 the agreement was terminated.

On June 23, 2015, ICM entered into an agreement to provide management services to FWR Inc. ("**FWR**"), a related party through a family relationship with one of the Corporation's officers, Hadley C. Ford. The management fees are based on 10% of the fiscal year gross revenue of FWR and an additional 1% of the fiscal year gross revenues for each $50,000 by which the aggregate amount drawn by FWR under the loan exceeds $500,000 and commenced on July 1, 2015. Management fee income amounted to $67,461 and $24,345 for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, and 2015, the management fee receivable from FWR was $91,805 and $24,345, respectively, and is not expected to be collected within 12 months, and is therefore classified as non-current. The agreement also provides for the reimbursement by FWR of certain expenses incurred by ICM on behalf of FWR, which amounted to $35,383 and $23,615 for the years ended December 31, 2016 and 2015, respectively, and is shown as a reduction in administrative management fee. As of December 31, 2016, and 2015, the reimbursement receivable from FWR was $48,297 and $23,615, respectively, and is expected to be repaid within 12 months, and therefore, is classified as current.

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, 2016 and the interim financial statements for the six month financial period ended June 30, 2017;

2. Election of Directors by the Common Shareholders;

3. Appointment of Auditors;

4. Special Resolution to Approve Alteration of Articles; and

5. Ordinary Resolution of Class A Shareholders to ratify, confirm and approve adoption of the Class A Option Plan.

A. Alteration of Articles

General

The Articles of the Corporation were initially approved for adoption when the Corporation was incorporated on November 15, 2013 as a private company. In anticipation of becoming a publicly traded company in both Canada and the USA, while it was still private, the Corporation changed its name from "Genarca Holdings Ltd." to "iAnthus Capital Holdings, Inc." and amended its Articles on August 4, 2016 (the "**2016 amendment**") to reflect the fact that the Corporation was to become a reporting issuer subject to Canadian securities regulations and the *Securities Act* (British Columbia). The 2016 amendment provided the Corporation with various corporate facilities required by a Canadian and US exchange reporting issuer. The Corporation became an exchange reporting issuer when it began trading on the CSE on September 7, 2016 under the trading symbol "IAN". It also became eligible for quotation on the OTCQB on April 3, 2017 under the symbol "ITHUF".

Advance Notice Provision – Background and Purpose

The following information is intended as a brief description of the advance notice requirements contained in the Advance Notice Provision. The disclosure below is qualified in its entirety by the full text of the Advance Notice Provision, the full text of which is attached as Schedule A to this Management Proxy Circular.

The purpose of the Advance Notice Provision is to provide shareholders, directors and management of the Corporation with a clear framework of the procedure for nominating directors for election at any annual general meeting or at any special meeting of shareholders at which the election of directors is one of the purposes for which the special meeting is called. It sets out advance notice requirements for the nomination of directors and provides for 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.

The alteration to the Articles (the "**Alteration**") to include the Advance Notice Provision will effectively entrench terms of advance notice for nomination of directors within the Corporation's charter effectively safeguarding the Advance Notice Provision and all actions taken by the Corporation pursuant thereto. Accordingly, at the Meeting the Corporation will seek approval of all Shareholders to the Alteration by a special resolution of all Shareholders at the Meeting.

The Advance Notice Provision: (i) informs the Corporation of nominees for election at a Shareholder meeting proposed by a Shareholder sufficiently in advance of such meeting, and (ii) provides an opportunity for the Board to make an informed determination regarding the proposed nominees and, if appropriate, present alternatives to Shareholders.

The directors of the Corporation are proposing that the Articles be altered to include the Advance Notice Provision, which will:

(i) facilitate orderly and efficient annual general or, where the need arises, special meetings;

(ii) ensure that all Shareholders receive adequate notice of nominations for director and sufficient information with respect to all director nominees; and

(iii) allow Shareholders to register an informed vote. The full text of the proposed Alteration is set out in Schedule A to this Management Proxy Circular.

Purpose of the Advance Notice Provision

The purpose of the Advance Notice Provision is to foster a variety of interests of all Shareholders and the Corporation by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision provides the framework by which the Corporation may fix a deadline by which Shareholders of record must submit any such director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

Effect of the Advance Notice Provision

1. Subject to the BCA and the Articles, the persons who are nominated in accordance with the following procedures shall be the only persons eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual general meeting of shareholders or at any special meeting of shareholders (but only if one of the purposes for which the special meeting was called was the election of directors):

(a) by or at the direction of the Board of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or

(c) by any person (a "**Nominating Shareholder**") who:

(i) at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more Common Shares carrying the right to vote at such meeting or who beneficially owns Common Shares that are entitled to be voted at such meeting; and

(ii) who complies with the notice procedures set forth below in the Advance Notice Provisions.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give timely notice thereof in proper written form to the Chief Financial Officer of the Corporation at the principal executive offices of the Corporation.

3. To be timely, a Nominating Shareholder's notice to an officer of the Corporation, being either of the CEO, the CFO or the Corporate Secretary of the Corporation, ("**an officer of the Corporation**") must be made:

(a) in the case of an annual general meeting of shareholders (the "AGM"), not less than 30 nor more than 65 days before the date of the AGM; provided, however, that if the AGM is to be held on a date that is less than 40 days after the date on which the first Public Announcement of the date of the AGM was made (the "Notice Date"), notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and

(b) in the case of a special meeting (which is not also an AGM) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.

4. To be in proper written form, a Nominating Shareholder's notice to the officer of the Corporation must set forth:

(a) if the Nominating Shareholder is not the beneficial owner of the Common Shares, the identity of the beneficial owner and the number of Common Shares held by that beneficial owner;

(b) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(i) the name, age, business address, and residential address of the person;

(ii) the current principal occupation, business or employment of the person, the name and principal business of any company in which such employment is carried on, and similar information as to all the principal occupations, businesses or employments within the five preceding years;

(iii) the class or series and number of shares in the capital of the Corporation which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date will then have been made publicly available and will have occurred) and as of the date of such notice;

(iv) a statement as to whether such person would be "independent" of the Corporation (within the meaning of §§ 1.4 and 1.5 of NI 52-110, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and

(iv) any other information relating to the person that would be required to be disclosed in a proxy circular or a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (including such person's written consent to being named in the proxy circular as a nominee and to serving as a director if elected); and

(c) as to the Nominating Shareholder giving the notice, any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws, and the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of

Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

5. To be eligible to be a candidate for election as a director of the Corporation and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provision and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to an officer of the Corporation at the principal executive offices of the Corporation, not less than 5 days prior to the date of the meeting, a written representation and agreement (in form provided by the Corporation) that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, an officer of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).

6. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairperson of the Meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

7. For purposes of the Advance Notice Provision:

(a) "**Public Announcement**" will mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com; and

(b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable province and territory of Canada.

8. Notwithstanding any other stipulation of the Advance Notice Provision, notice or any delivery given to an Officer of the Corporation pursuant to the Advance Notice Provision may only be given by personal delivery or by email transmission (at such contact information as set out on the Corporation's issuer profile on SEDAR), and will be deemed to have been made and given only at the time it is served by personal delivery to the CFO at the principal executive offices of the Corporation or sent by email transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication will be deemed to have been made on the subsequent day that is a business day.

Shareholder Confirmation

Under the Articles and the BCA, the Corporation's governing statute, the Alteration requires shareholder approval by a special resolution passed by a majority of not less than two-thirds of the votes cast by the Shareholders who voted in respect of that resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is set out below, to approve the Alteration, which Alteration will be the addition of the Advance Notice Provision to the Articles of the Corporation, the full text of which is contained in Schedule A to this Management Proxy Circular.

Recommendation of the Board

The Board has concluded that the Advance Notice Provision is in the best interests of the Corporation and its shareholders. **Accordingly, the Board unanimously recommends that the Common Shareholders approve the Alteration by voting FOR the special resolution to approve the Alteration at the Meeting. Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the special resolution to approve the Alteration at the Meeting.**

Common Shareholder Vote - Alteration of Articles to include Advance Notice Provisions

At the Meeting, all Shareholders will be asked to consider and if thought fit, to approve a special resolution authorizing the Alteration to include advance notice provisions in the Articles, with or without variation, as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

The Articles of the Company be altered as follows:

(a) By adding to the end of Part 14 – *Election and Removal of Directors* of the Articles of the Corporation (the "**Articles**"), a new section 14.12 – *Nomination of Directors*, (the "**Alteration**") as set out in Schedule A of the Company's Management Proxy Circular dated October 10, 2017, and such Alteration be and is hereby authorized and approved and the Articles, as altered by this resolution, shall be the full form of the Articles accordingly;

(b) The Board may in its absolute discretion, without further shareholder approval, amend or modify the Alteration to make amendments which are of a typographical, grammatical or clerical nature; or to make amendments necessary as a result of changes in laws applicable to the Corporation;

(c) It is a condition of this resolution that the alteration to the Articles referred to above will not take effect until the date and time that this resolution is received for deposit at the records office of the Company; and

(d) Any director of the Company be authorized for and on behalf of the Company to do such things and to execute and deliver, whether under the common seal of the Company or otherwise, all such statements, forms and other documents as such director may consider advisable in connection with the foregoing and to take all such action and do all such things to give effect to the transactions contemplated by the foregoing resolutions and the execution by any one director shall be conclusive proof of his or her authority to execute the same for and on behalf of the Company.

(e) Pursuant to §139 of the *Business Corporations Act* (British Columbia), the directors have the right to revoke the above special resolutions before they are acted on."

A special resolution is a resolution passed by not less than a two-thirds majority of the votes cast by all Shareholders who voted in respect of that resolution.

If the special resolution to approve the Alteration is passed by all Shareholders voting on the special resolution at the Meeting, then it is expected the Board will proceed with the Alteration as expeditiously as possible. The above special resolution, if passed, will become effective immediately upon the date and time that the resolution and the Form 11 Alteration of the Articles, and the Articles, as altered, are received for deposit at the records office of the Company.

Upon receipt of approval to the Alteration, the altered form of Articles may be accessed at www.sedar.com.

B. Class A Shareholder Approval of Class A Option Plan

As the Board has approved the Class A Option Plan, the Corporation will present an ordinary resolution for consideration, and if thought fit, approval by the Class A Shareholders, which resolution will ratify, confirm and approve the adoption by the Corporation of the Class A Option Plan. A description of the Class A Option Plan is set out in more detail under *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans* above.

Class A Shareholder Approval

At the Meeting Class A Shareholders will be asked to consider, and if thought fit, approve the following ordinary resolution, with or without variation:

> "**RESOLVED** that the Class A Option Plan approved by the Board of Directors of the Corporation on August 28, 2017, a copy of which was presented to the Annual General and Special Meeting of the Corporation held November 14, 2017, and which is filed under the Corporation's profile at www.sedar.com, be and is hereby ratified, confirmed and approved for adoption and for continuation until the next annual general meeting of the Corporation."

An "**ordinary resolution of the Class A Shareholders**" is a resolution passed by the Class A Shareholders of the Corporation at a general meeting by a simple majority of the votes cast by Class A Shareholders on the resolution in person or by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements for the year ended December 31, 2016, the auditor's report and related management discussion and analysis, as well as in all of the Corporation's subsequent interim financial statements for the six month financial period ended June 30, 2017 and the related management discussion and analysis, copies of which are filed under the Corporation's profile at www.sedar.com. Copies of the Corporation's financial material are also available upon request from the CFO and Corporate Secretary at the office of the Corporation, telephone number: (416) 591-1525 or by email: info@ianthuscapital.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 16th day of October, 2017.

THE BOARD OF DIRECTORS

"Hadley C. Ford"

Hadley C. Ford
Chief Executive Officer

SCHEDULE A

to the Management Proxy Circular of

iANTHUS CAPITAL HOLDINGS, INC.

FULL TEXT OF PROPOSED ALTERATION OF THE ARTICLES TO INCLUDE ADVANCE NOTICE PROVISION

"***Nomination of Directors***

14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "**Nominating Shareholder**") (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must be give

(i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12(c); and

(ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(c).

(c) To be timely under §14.12(c), a Nominating Shareholder's notice to an officer of the Company, being either the Chief Executive Officer, the Chief Financial Officer, or the Corporate Secretary of the Company (singularly, "**an officer of the Company**"), must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided,

however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(iii) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(d) To be in proper written form, a Nominating Shareholder's notice to an officer of the Company, under §14.12(b) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate

governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12(c):

(i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other

Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) "**Meeting of Shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the an officer of the Company pursuant to this §14.12(c) may only be given by personal delivery, facsimile transmission or by email (provided that an officer of the Company has stipulated an

email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(b)."