

September 18, 2020



Final Court Order Hearing

- *Response materials due no later than 4:00 p.m. (Vancouver time) on Monday, September 21, 2020*
- *Hearing scheduled for 10:00 a.m. (Vancouver time) on Friday, September 25, 2020*

NEW YORK and TORONTO, Sept. 18, 2020 /PRNewswire/ - iAnthus Capital Holdings, Inc. ("iAnthus" or the "Company") (CSE: IAN), (OTCQX: ITHUF), which owns, operates and partners with regulated cannabis operations across the United States, reminds Secured Noteholders, Unsecured Debentureholders, Equityholders (each as defined below) and any other interested party, that the Company and ICM (as defined below) will attend a hearing (the "Hearing") before the Supreme Court of British Columbia (the "Court") scheduled for 10:00 a.m. (Vancouver time) on September 25, 2020. At the Hearing, the Company and ICM will seek final Court approval (the "Final Court Order") for the Company's previously announced recapitalization transaction (the "Recapitalization Transaction") to be implemented by way of a court-approved plan of arrangement under the British Columbia *Business Corporations Act* (the "Plan of Arrangement").

Court Approval

As required by the interim Court order for the Recapitalization Transaction (the "Interim Court Order"), any Secured Noteholder, Unsecured Debentureholder or Equityholder, or other interested party has the right to appear (either in person or by counsel) and make submissions at the hearing of the petition (the "Petition") for the Final Court Order provided that, other than in the case of the Secured Noteholders and the initial consenting Unsecured Debentureholders, such party files a response (a "Response") by **no later than 4:00 p.m. (Vancouver time) on September 21, 2020**, in the form prescribed by the British Columbia Supreme Court Civil Rules, with the Court and deliver a copy of the filed Response together with a copy of all materials on which such Secured Noteholder, Unsecured Debentureholder, Equityholder or interested party intends to rely at the hearing of the Petition, including an outline of such Secured Noteholder, Unsecured Debentureholder, Equityholder or interested party's proposed submissions to: (i) iAnthus and ICM, c/o counsel for iAnthus: McMillan LLP, Barristers and Solicitors, Suite 1500, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, Canada, V6E 4N7, Attention: Vicki Tickle; (ii) the Secured Noteholders, c/o counsel for the Secured Noteholders: Davies Ward Phillips & Vineberg LLP, Barristers and Solicitors, 40th Floor, 155 Wellington Street West, Toronto, Ontario, Canada, M5V 3J7, Attention: Robin Schwill; and (iii) the initial consenting Unsecured Debentureholders, c/o Cassels Brock & Blackwell LLP, Barristers & Solicitors, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada, M5H 3C2, Attention: Ryan Jacobs and Lance Williams, and Stikeman Elliott LLP, Barristers and Solicitors, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada, M5L 1B9, Attention: Brian Pukier and Ashley Taylor, subject to the direction of the Court.

For additional details on the Interim Court Order, see the Company's management information circular dated August 14, 2020, (a copy of which is available under the

Company's SEDAR profile at www.sedar.com).

Securityholder Approval

Further to the Company's news release dated September 14, 2020 (a copy of which is available under the Company's SEDAR profile at www.sedar.com):

- at the meeting of holders (the "Secured Noteholders") of the 13% senior secured convertible debentures (the "Secured Notes") issued by iAnthus Capital Management, LLC ("ICM"), the Company's wholly-owned US subsidiary, 100% of the votes cast by Secured Noteholders (representing all of the outstanding Secured Notes) were voted in favour of the Plan of Arrangement. Accordingly, the Secured Noteholders approved the Recapitalization Transaction by Plan of Arrangement;
- at the meeting of holders (the "Unsecured Debentureholders") of the 8% convertible unsecured debentures (the "Unsecured Debentures") issued by the Company, 100% of the votes cast by Unsecured Debentureholders (representing all of the outstanding Unsecured Debentures) were voted in favour of the Plan of Arrangement. Accordingly, the Unsecured Noteholders approved the Recapitalization Transaction by Plan of Arrangement; and
- at the meeting (the "Equityholders' Meeting") of holders of the Company's common shares (the "Common Shares"), options (the "Options") and warrants (the "Warrants") (collectively, the "Equityholders"), 79.0% of the votes cast by Equityholders, present in person or by proxy at the Equityholders' Meeting, voting together as a single class, were voted in favour of the Plan of Arrangement. In addition, 66.3% of the votes cast by holders of Common Shares, present virtually or by proxy at the Equityholders' Meeting, excluding votes of Common Shares beneficially owned or over which control or direction is exercised by Related Shareholders (as defined below), were voted in favour of the Plan of Arrangement, which significantly exceeds the minority approval requirements (50% + 1) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") of the Canadian Securities Administrators. When Related Shareholders are included, a total of 68.3% of the votes cast by holders of Common Shares, present virtually or by proxy at the Equityholders' Meeting, were voted in favour of the Plan of Arrangement. Accordingly, the Equityholders approved the Recapitalization Transaction by Plan of Arrangement.

For further details on the voting results for the above meetings, see the report of voting results posted to the Company's SEDAR profile (available at www.sedar.com) on September 15, 2020.

The term "Related Shareholders" means, in respect of the Company, "interested parties", "related parties" of any interested parties (unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor issuer insiders of the Company) and "joint actors" of the foregoing (as such terms are defined in MI 61-101). To the knowledge of the Company after reasonable inquiry, the only Related Shareholders who beneficially owned or exercised control or direction over Common Shares at the time of the Equityholders' Meeting were funds affiliated with Gotham Green Partners, LLC.

Implementation

Certain of the transactions contemplated by the Recapitalization Transaction may trigger a review and approval requirement by state-level regulators in certain U.S. states with jurisdiction over the licensed cannabis operations of entities owned in whole or in part or controlled directly or indirectly by iAnthus, including potentially: Arizona, Florida, Maryland, Massachusetts, Nevada, New Jersey, New York, and Vermont. Where required, iAnthus intends to promptly commence the review and approval process and to expedite the process to the greatest extent possible.

About iAnthus

iAnthus owns and operates licensed cannabis cultivation, processing and dispensary facilities throughout the United States, providing investors diversified exposure to the U.S. regulated cannabis industry. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. iAnthus currently has a presence in 11 states and operates 36 dispensaries (AZ-4, MA-1, MD-3, FL-16, NY-3, CO-1, VT-1 and NM-7 where iAnthus has minority ownership). For more information, visit www.iAnthus.com.

COVID-19 Risk Factor

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing could adversely impact the Company by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. Although the Company has been deemed essential and/or has been permitted to continue operating its facilities in the states in which it cultivates, processes, manufactures, and sells cannabis during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition, and the trading price of the Common Shares.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties, including concerning COVID-19 and the specific factors disclosed here and elsewhere in iAnthus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "hope", "could", "plan", "estimate", "expect", "intend", "may", "potential", "believe", "should", "our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, the timing and outcome of Court approval of the Plan of Arrangement, the timing and outcome of required U.S. state

regulatory approvals and the implementation and completion of the Recapitalization Transaction.

Readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. iAnthus disclaims any intention or obligation to update or revise such information, except as required by applicable law, and iAnthus does not assume any liability for disclosure relating to any other company mentioned herein.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

The securities to be issued pursuant to the Restructuring Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

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