

September 29, 2020



iAnthus Provides Update on Final Court Order Hearing

Final Court Decision Has Not Been Given

NEW YORK and TORONTO, Sept. 29, 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, provides an update with respect to the fairness hearing (the "Fairness Hearing") for the Company's plan of arrangement voted on by securityholders on September 14, 2020 (the "Plan of Arrangement") to implement the Company's previously announced recapitalization transaction (the "Recapitalization Transaction").

iAnthus appeared before Justice Gomery of the Supreme Court of British Columbia (the "Court") on September 25, 2020 for the Fairness Hearing and on September 28, 2020, Justice Gomery delivered his reasons for the decision orally. Justice Gomery indicated that his reasons are expected to be reduced to writing and released today (September 29, 2020).

Justice Gomery held that the Plan of Arrangement was put forward in good faith and met the statutory requirements of the British Columbia *Business Corporations Act* (the "BCBCA"). Justice Gomery was also satisfied that the Plan of Arrangement had a valid business purpose and was approved by the securityholders in accordance with the requirements of the BCBCA. The Plan of Arrangement included a release of claims and Justice Gomery did not approve the form of release of claims presented to the Court. Justice Gomery invited iAnthus and the parties to the restructuring support agreement (the "RSA") to consider whether some other form of release language may be presented and ruled, in part, that: "...It is possible that iAnthus and the noteholders may agree to amend the plan to narrow the release and injunction to the point of acceptability. To preserve that possibility, I do not dismiss the petition. I grant iAnthus liberty to apply, if it thinks fit, on the basis of an amended plan of arrangement. I am seized of any further applications on this matter." Accordingly, Justice Gomery will have conduct of the matter and has not made a final ruling on the fairness of the Plan of Arrangement.

Under the RSA, iAnthus is obligated to pursue the Recapitalization Transaction under the *Companies' Creditors Arrangement Act* ("CCAA") within five business days if the final court order for the Plan of Arrangement was not granted by September 28, 2020 (the "Deadline"). The parties to the RSA have agreed to extend the Deadline to Tuesday, October 6, 2020.

For additional details on the RSA, see the Company's news release dated July 13, 2020, a copy of which is available under the Company's SEDAR profile at www.sedar.com.

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 and the timing for the written court decision.

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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